

What's Ahead for Business?"—Pages 16 and 17.

DISTRIBUTION AND WAREHOUSING



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Pacific Northwest Warehousemen Organize to Fight Motor Freight Line Competition

By Kent B. Stiles

EIGHTEEN of the leading established warehouse, transfer and cartage firms in three Pacific Northwest cities have organized to prevent further inroads on their storage, pool car distribution and local delivery business by "outside" motor freight operators.

To meet the challenge of competition by truck and depot owners whose activities have been resulting in serious losses—in some instances, it is admitted, as high as 65 per cent—to the warehouse companies, the latter have formed the Inter-State Freight Lines, Inc.

Movement of freight, on the longer distances, is being made at present by rail, through an arrangement with the Northern Pacific Railroad. The tariffs of the motor freight lines are being met in this way by the warehouse group. If the motor freight operators reduce their rates as a result of the development, the warehouse executives will be prepared in turn to meet the reduction similarly. No definite plans are being formulated by the warehouse group at the moment to operate motor trucks, over long distances, in competition with the existing auto freight lines. The freight-by-rail program, covering inter-city movement, will first be subjected to experiment.

To recover short-haul business taken away by the non-warehousing motor freight operators, however, the Inter-State's members may start running trucks in their local communities.

The Pacific Northwest evolution, ranking in importance with the action of the Texas merchandise warehouses in organizing the United Freight Lines, Inc.,* is another direct result of the series of editorial articles which *Distribution and Warehousing* began publishing

last September after this magazine's inquiry, national in scope and conducted in person by the editor and through correspondence, had made these disclosures:

A. Motor freight line operators in all parts of the United States are erecting depots.

B. Depots are being converted into storage buildings in competition with established warehouses.

C. Depot-warehouses are taking storage accounts from established warehouses.

D. Motor freight line operators are cutting in seriously on pool car distribution and local cartage revenue heretofore enjoyed by established warehouses.

All these facts were shown to constitute a "menace" to established warehousing, and the industry was urged to do one or more of three things:

1. Enter the field of distribution by motor truck, on something like an organized basis, by acquiring control of motor freight lines already in operation.

2. Effect cooperative working arrangements with motor freight lines now in existence.

3. Organize its own motor freight lines to meet the "outside" interests which are "invading" the field and taking away warehousing's profits.

In the three Pacific Northwest cities—Seattle, Portland and Tacoma—the motor freight line operators had become so firmly entrenched, with highway certificates and franchises granted by State commissions to virtually a monopolistic degree, that it was not held to be possible right now to attempt the carrying out of any one of these three suggestions. Instead, the competitive battle is being fought with another weapon—an all-commodity rate arrangement effected through cooperation with the Northern Pacific.

*For story of Texas project see page 22 of March issue of *DISTRIBUTION AND WAREHOUSING*.

THE initial steps in the movement were taken by two executives in Seattle and one in Portland, members of the merchandise division of the American Warehousemen's Association and of their State and local organizations—Oscar C. Taylor, president of the Taylor-Edwards Warehouse & Transfer Co., Inc., and Walter Eyres, president of the Eyres Storage & Distributing Co., Inc., both in Seattle, and Donald G. Bates, president of the Oregon Transfer Co., Portland.

Mr. Taylor and Mr. Eyres attended the Biloxi convention of the A. W. A. in January and at one of the merchandise division sessions heard the motor freight line situation discussed by various speakers, including Gus K. Weathered, Dallas, president of the United Motor Lines, Inc., which had been organized by a group of leading merchandise warehouse executives in Texas.

On the return to Seattle Mr. Taylor telephoned to Mr. Bates in Portland and they had several all-day conferences. Mr. Eyres meanwhile was in California. Mr. Taylor and Mr. Bates got him on the long distance telephone and found him favorable to the idea of organizing—so much so that he returned at once to Seattle and joined the other two executives in interesting a group of leading warehousemen in the plan.

The outcome was the organizing of the Inter-State Freight Lines, Inc. Its members comprise the following firms:

In Seattle:

Acme Cartage Co., Inc.

City Transfer & Storage Co.

Eyres Storage & Distributing Co., Inc.

Fortune Transfer Co.

General Hauling & Transfer Co.

Georgetown Transfer & Storage Co.

Lloyd Transfer Co.

System Transfer & Storage Co.

Taylor-Edwards Warehouse & Transfer Co., Inc.

Winn & Russell, Inc.

In Portland:

Holman Transfer Co.

Manning Warehouse & Transfer Co.

Northwestern Transfer Co.

Oregon Transfer Co.

Pihl Transfer Co.

Portland Van & Storage Co., Inc.

Rudie Wilhelm Warehouse Co., Inc.

In Tacoma:

McLean the Mover, Inc.

These eighteen companies hold eight memberships in the American Warehousemen's Association, nine in the Washington State Warehousemen's Association, six in the Oregon State Warehousemen's Association, eight in the Truck Owners Association of Seattle, Inc., eight in the Portland Draymen & Warehousemen's Association, Inc., and several in the National Furniture Warehousemen's Association, the Canadian Storage & Transfermen's Association and the California Van & Storage Association. Only two firms in the group are without association memberships.

Eyres President

The Inter-State elected as its president Walter Eyres, president of the Eyres

company; as its vice-president Rudie Wilhelm, president of the Wilhelm firm, and as its secretary and treasurer Oscar C. Taylor, president of the Taylor-Edwards interests. The board of trustees comprises the three officers and Donald G. Bates, president of the Oregon Transfer Co., Portland, and L. X. Coder, president of the System company in Seattle. Offices are at the Northern Pacific terminal in Seattle.

Several of the group's leaders are of the opinion that some day someone with "real money" will get back of motor

Walter Eyres



Elected president of Inter-State Freight Lines, Inc., organized by warehouse interests in Seattle, Portland and Tacoma to meet motor freight line competition

freight line operation and they believe that warehousing as an industry should be in a position, if that time comes, to control the business. This might be accomplished through a merger of warehouse interests or through cooperation with auto freight lines already in operation.

The situation in some of the Pacific Northwest cities is that the motor freight lines have developed to the extent that they are taking away the warehousemen's local drayage through a pick-up and delivery system, and some of the warehousemen recognize that the movement now taken by them should have been inaugurated ten years ago, before the motor freight lines acquired the highway franchises and gained practically full control of the situation.

When the Inter-State was organized its backers first considered the possibilities of putting a cooperative motor freight line into the field in competition with the existing lines. This idea was abandoned, however, when the Northern Pacific offered the group an all-commodity freight rate which had been under consideration for several years.

The arrangement gives the warehouse group the services of Northern Pacific

solicitors in Seattle and other cities, and the Inter-State will handle the freight consigned over the Northern Pacific and other railroads. No highway franchises will be necessary, nor will the traffic be subject to the control of the bureaus which operate the auto freight lines. No tariffs will have to be published, and the Northern Pacific's all-commodity rate allows a margin of profit as well as the privilege of putting many types of merchandise in a single car. The rate went into effect on April 24 and will be effective until Dec. 31, when it will be extended if the warehousemen find they are making profits under it.

The rates which the warehousemen will charge shippers will be the same as the published first, second and third class motor freight line tariffs on file with the State commission in Washington, and they will include pick-up and store door delivery.

The services which the warehouse group extends includes a daily overnight one between Seattle and Portland. Hitherto the motor freight lines had enjoyed the advantage of being able to pick up goods in the evening in Seattle and deliver them in Portland early on the following morning, whereas freight moving by rail was slow and involved cartage and moving, checking, and so on. Under the new arrangement, freight can be picked up in Seattle by the Inter-State in the evening and checked and delivered in Portland by 8 o'clock the next morning. Moreover rail transportation will not be subject to weather conditions as the motor freight lines are so frequently in the Pacific Northwest's rainy season.

There is another important and favorable factor which will benefit the warehouse group. A majority of the motor freight lines are operated by individuals many of whom are without financial responsibility in the event of damage to goods or of injuries to persons. The group comprising the Inter-State has an investment of several million dollars, and shippers will have the added security and backing of the Northern Pacific. The members of the Inter-State are staple business men with big plants and established reputations. An accident and its attendant law suit might easily put one of the motor freight lines out of business.

Truck Interests Protest Against Tariff of N. P.

THE Portland-Seattle Auto Freight Co. and Lee and Estes, authorized common carriers, have formally protested to the Interstate Commerce Commission against, and have asked suspension of, the schedule, carrying a rate of 30 cents a 100 pounds, put into effect by railroads serving Seattle, Tacoma and Portland. The complainants, who are supported by other Pacific Northwest truck operators, assert that the 30-cent rate violates the first three sections of the interstate commerce Act and the Hoch-Smith resolution.

The railroads' flat rate is applicable to every sort of freight except liquid acid, articles too long for the ordinary box car, perishable freight requiring refrigeration, fruits and vegetables, live poultry and fresh milk and cream.

The contention of the motor freight line interests is that the rate is "solely and only for the purpose of creating an unjust and unfair competitive situation between the rail and motor vehicle carriers operating between the points to which such rate applies and is unlawful, non-compensatory and discriminatory as between different commodities and that the minimum weights set forth are neither lawful nor proper and that the making effective of such a rate will result in unfair competition between the carriers by freight and will decrease car and carrier revenues unlawfully."

Waiver of freight classification, the truck men allege, will cause discrimination against lower rated commodities and in favor of higher rated ones and permit the movement of commodities without relation to costs of service or transportation incurred. They further allege that that waiver forces lower valued commodities to bear more than their proportionate share of the transportation cost.

The truck men point out that many times the carriers, parties to this tariff, have protested against proposals to reduce rates on the commodities covered by the flat rate, on reduced minima, on the ground that they were not earning a reasonable rate of return and that their financial condition would not warrant reductions on important commodities, such as the products of agriculture and forest, because of the injury to their revenues.

A definite claim is made by the truck men that their rates are higher than the class rates of the railroads. They assert that while the railroad rates are 68, 58, 48 and 41 cents per 100 pounds on the first four classes, the truck rates are 80, 70, 60 and 50 cents. They contend that the reduction to 30 cents flat could not be justified and that the rate of 30 cents is unreasonably low and illegal. They claim that under the flat rate the per car revenue of the railroads will be reduced to \$45 flat from the following figures: Canned goods, \$81; furniture, \$63; dried fruit, \$81; machinery, \$87.60; paints, \$90; plumbers' goods, \$106.50; wire rope, \$90, and seed, \$85. The truck men claim that the cut is aimed at them,

alleging that water transportation does not compete with rail or motor carriers in the territory involved.

In a telegram to the I. C. C. the Portland Industrial Traffic Club has supported the railroad tariff, saying that the rate was established to hold to the rail lines traffic lost to motor truck lines which were constantly enlarging their operations. The telegram said that the freight covered by the tariff now moves almost entirely by motor

Oscar C. Taylor



Secretary and treasurer of the
Inter-State Freight Lines, Inc.

truck, and expressed opinion that the rate would be reasonably compensatory.

The Portland Traffic and Transportation Association also has supported the rail tariff.

S. J. Henry, the tariff publishing agent, in a telegram to the I. C. C. defended the 30-cent rate, saying it was established in an effort to meet competition created by unregulated truck lines and to increase rail revenue.

Because the trucks were not regulated, Mr. Henry said, the rates and classification used by them could be changed without advance notice. He said the trucks were also unregulated as to the number of operators and number of trucks that might be placed in service.

The records of the State commission, he said, showed that the number of truck operators had doubled and that eight operators had seventy-three trucks in the Portland-Seattle service. Rail lines for some time, he said, had entertained the hope that the situation would improve but that the contrary was the case. Because of existing conditions, he said, the railroads felt it necessary to make some effort to retain at least a part of that important merchandise business.

The mixture allowed under the 30-cent rate, Mr. Henry asserted, was necessarily broad but that that was also true of many carload commodity rates applying to general mixtures such as dry goods, drugs, canned goods and other commodities. He said the rate was the same as that carried on various less-than-carload shipments under fourth section order No. 8890, item 510 of I. C. C. 217, between Portland and Aberdeen, Ore. While the mileage involved in the Portland-Aberdeen transportation was somewhat less, he said, branch line service was included which, he pointed out, would not be true under the proposed 30-cent rate. Mr. Henry said that in proposing that rate the carriers did not disregard the cost of service and that the carriers were assured of a revenue of \$45 per car under the 15,000 pound minimum and \$60 per car under the 20,000 minimum, which would come into effect on Aug. 1. The \$60 per car, he said, was greater than that now earned on some merchandise cars handled between the points embraced in the tariff which the truck men desired to have suspended.

While the protested tariff contained twelve carload items carrying rates in excess of 30 cents, Mr. Henry said, there was little or no rail movement under such carload commodity rates because of truck competition. Because of that situation, he said, the railroads intended to revise those items immediately to conform to the new merchandise rate which would apply in the event the tariff were allowed to become effective. He also said it was the intention of the carriers, on account of the demoralization produced by truck competition, to make the 20,000 pound minimum permanent. In closing his defense, Mr. Henry called attention to what he said was the fact that only the truck men and no shippers protested the tariff representing the effort of the railroads to get back some of the business.

Federal Trade Commission Eases Code of Practices With Relation to Secret Rebates, Price Discrimination and Sales Below Cost

THE Federal Trade Commission has abandoned its policy of approving trade practice rules which declare secret rebates, price discrimination, sale of goods below cost, and certain other practices, to be unfair. Henceforth, according to members of the Commission, these practices will be forbidden only when they result in a substantial lessening of competition or tend to create a monopoly.

Commissioner William E. Humphrey

has stated that there was nothing illegal in secret rebates to customers and that this practice was legitimate in competition and not, of itself, a violation of the Clayton anti-trust law.

Legal Opinions

Chairman Ferguson of the Commission declined to discuss the effect of the change in policy. However, he said that "able lawyers" before the Commission

had contended that the previous rules were invalid.

Commissioner Edgar A. McCulloch, while saying he did not believe the new phraseology would have any extensive effect on industry, declared that the change was of "some importance."

The new phraseology has been inserted in regulations just approved by the Commission for the knitted outerware and metal lath industries.

DISTRIBUTION

Its Economic Relation to Public Warehousing

Number 63

The Modern Traffic Manager: Emergence of His Work from a "Job" to a Profession

By H. A. Haring

IN the traffic world one finds many "bureaus" variously known as: traffic bureaus, claim adjustment bureaus, freight bill auditors, associated traffic bureaus, commerce counsellors, industrial traffic counsellors and similar names.

Bureaus of this sort sell their services either on the basis of a stipulated fee or on the basis of payment for particular services rendered. In the main these bureaus confine themselves to two major phases of traffic work:

First, handling traffic and transportation matters for a concern not having its own department.

Second, acting as advisor on the more technical matters of traffic work, such as rate adjustments, intensive studies of markets as defined by freight rates, new requirement as to packing, improved ways in warehousing or shipping, etc.

As a rule, this second form of advisory service takes for granted that the client maintains his own department for checking freight bills, filing rates and tariffs and the like, but that the department consists only of clerks without a real manager.

There have developed, in a few cities, "traffic counselors" of a more professional type, who are experienced

in appearing before the railroad commissions in "formal" complaints and whose services are really like those of attorneys. They are employed only on rare occasions for highly technical proceedings. These men, further, often give expert advice in important situations, much as an efficiency expert or a cost accountant would do.

The cities, too, have commercial traffic departments, usually connected with the chamber of commerce. These deal with community traffic problems, although sometimes they maintain bureaus for benefit of all concerns in the city.

All these bureaus, however, are distinct from the industrial traffic manager, who serves a single concern, or, at most, a trade association. We shall, in the pages which follow, limit our thought to single concerns. We shall consider the work and the future of the man who is everywhere known as the "traffic manager." Occasionally he is called a "vice-president in charge of traffic," or "the director of traffic," where the concern is very large; but such titles are generally more a sign of bigness of the company than of different duties for the man. Fortunately for the man—and for this they are to be envied—these finer titles carry better salaries.

OCCASIONALLY one meets a retired railroad officer who will regale the listener with tales of traffic management in the earlier days—in the "gay nineties" or the even gayer "eighties" before an indignant public compelled the enactment of the first of the "commerce" acts. Those were the glorious days of traffic management, when the "good fellow" filled the job.

He was selected from the ranks of railroad freight solicitors, because only such a man was supposed to have the personal acquaintance so needful with railroad officials. He was employed on account of this "knowing of the ropes"—a phrase which often meant knowing the foibles and weaknesses of railway men so intimately as to be able to perfect

secret agreements. Those were the days of favored shippers, midnight tariffs, rebates and drawbacks, and all sorts of preferential freight rates. The traffic manager spent little time behind a desk. He was outside "on expense account," and a generous one at that; he was up late at night; he enjoyed passes and knew how to use them.

Those were the golden days of "fast freight lines" whose profits went into the pockets of individuals, not the carriers; the days when large shippers bargained with the railroads; the days when competition was stifled by a concern which had "a shrewd traffic manager." Traffic managers, in those days, slipped into the private offices of presidents, both of corporations and of rail-

roads. They were looked upon as real influences for the earning of profits. They were feared by railroad men because upon their whims hung the railroads' tonnage.

But they were not real managers of anything. They had a glorious time, it is true, but they were hangers-on of business. When the "commerce acts" began to pass Congress, rebating and secret rates began to disappear, and, with them, evaporated the old-time traffic manager. No one wanted to employ such a man for honest-to-God work because he was anything but a worker. He was a politician in temperament, a "dealer in men" or a "fixer"—never an executive or an organizer of departments.

He was succeeded by an army of clerks.

DISTRIBUTION

Its Economic Relation to Public Warehousing

One clerk for each concern was chief clerk. Upon him was given the title of "traffic manager," but the executives never thought of him as anything better than a big clerk. He, and his department, audited freight bills, filed tariffs and quotations, prepared claims, and did a lot of mussy work with frayed freight "expense bills."

The traffic manager, as viewed by the management, "managed" nothing more formidable than a crew of clerks in shirt sleeves. The department was isolated, and, if office room became scarce, the traffic department was sure to be found up some narrow staircase or cramped down close to the boiler room. This attitude of management was, partly, a revulsion from the glorious days gone by; and, partly, because the railroads under regulation were prosperous.

The "commerce" acts did protect the public from discrimination and preferences. They did more. They protected the carriers from price wars and secret rebates of their earnings. The law made our railroads rich by retaining for them their earnings.

As they became prosperous they took on an air of independence, much after the fashion of a newly appointed second lieutenant in the army. They set their rates and laid down their rules. The shipper either accepted or did not ship. He was compelled to ship by rail—in those days before motor trucks and barge lines—and therefore he had to accept their rulings.

At the same time manufacturers, in this entire country, were making money. Such an item as packing his goods for safe arrival to the customer mattered not; such a thing as "second class rates" for his products meant nothing—hardly more than the queer symbols "D 1" or "R-26." Such a thing as asking the traffic man to sit in with the purchasing agent when making seasonal contracts was unheard of. These, and all such matters, were too trifling to bother about. The concern was making money; why trouble about half a cent a hundred in the freight?

Therefore, the traffic department was suffered to exist. It was thought of as a section of the auditing office, only that it dealt with freight bills and "not real money." The department was a "sort of necessary expense," and the "manager" was nothing but a glorified clerk. In fact, in most companies, he would have been only "chief clerk" except that employers found he would work for \$125 when titled "traffic manager" but would demand \$150 as "chief clerk." It was all right to let him make up a baseball team for the "railroaders' league" and the company would pay for the uniforms; but let him dare to ask for expense money to attend a traffic men's convention . . . !

Crystallization

TRAFFIC men owe much to professional accountants, to business systematizers and efficiency experts.

These men, coming to a manufacturer from the outside and demanding a big fee for their advice, showed that immense wastes came from the lack of traffic management. The loss from over-charges was easily demonstrated. The waste from improper "classification" of freight was almost as simple to prove. But when these advisors brought in elaborate schedules to show that a poor location for the latest branch plant was costing the firm \$100,000 every year in excess freight, the president took notice of the little fellow seated at the first desk in the traffic department. And when the sales department admitted a big slump in orders and "passed the buck" to the railroads "because our competitor gets into that market on a five-cent differential," the general manager began to ask his friends where he could find a "good man for our traffic department."

The days of the glorified clerk went by when manufacturers began to study their costs. Then they put every element of the business under scrutiny, seeking to locate all losses and scouting everywhere for new sources of revenue.

Thus the "traffic manager" has come into his rightful place in industry. His work is just now crystallizing into a profession. It has ceased to be a blue-pencil job where \$125 is the limit and for which frayed cuffs are the badge!

Industry has learned that there is far more to traffic management than the duty of receiving and shipping the goods and checking over the bills. Traffic is as vital to success as production or selling. Traffic managers, accordingly, now stand on a parity with plant managers and sales managers. For, the right management of traffic in all its ramifications rises above the routine of running the department. It factors in production of the goods and in the sale of them; it goes even deeper into profits, because the traffic manager now sits with the directors in location of new plants and is consulted by the architect in design of the buildings.

By cooperation, rather than by antagonism, the traffic manager succeeds with the carriers, on the outside, and with his fellow managers, on the inside. The carriers now look upon him as the buyer of transportation, loyal of course to his firm, and yet appreciative of the task of the railroads. Within the company he is looked up to as a professional advisor, often as valuable as the attorney, employed to know the laws and the rulings of transportation and to settle points as they arise. His word is final and carries authority.

The industrial traffic manager has been defined as the man who:

1. Is charged with the responsibility of buying economical and efficient transportation for his firm within the areas of production, manufacture, distribution and consumption;
2. Is the executive head of the firm's department concerned with clerical and service functions incident to the development and betterment of transportation services, foreign, local, intra-plant and inter-plant;
3. Performs vital cooperative functions within the plant's own internal organization and between the plant and the carriers.

Outline of Duties

ABOUT two years ago the Department of Commerce, through its Bureau of Foreign and Domestic Commerce's Transportation Division, inaugurated a study of the services of traffic management to business. Already, in the issues of the *Commerce Bulletin*, we are learning of the importance of the traffic department, for, from month to month, there are being published scraps of information which compel executives to take notice.

From the returned questionnaires the Transportation Division culls examples of benefits accruing to manufacturers from good traffic departments, losses incurred through lack of control, and competitive advantages through wise traffic foresight.

The results of the whole study should appear in book form during 1931. In all probability this publication will give the traffic manager a new professional standing in our business life.

The Department announces that it is searching for answers to these very practical questions:

1. The wastes resulting from inadequate attention to, and proper understanding of, traffic matters.
2. How these wastes may be eliminated or partly eliminated.
3. How large an industry, or a business, should be in order to justify the organization of its traffic functions into a separate department.
4. What sum such a department should cost in order to obtain an adequate traffic administration.
5. What the relation of a traffic department is to the executive, accounting, legal, production, purchasing, sales, and other departments of a business concern.
6. What the function, type, place, and relative importance of the traffic department are in modern business organizations.

When this investigation is published, the answers to these six problems will aid any firm to answer the two questions which are uppermost when considering a traffic department, namely, "What will it do for us?" and "What will it cost?"

DISTRIBUTION

Its Economic Relation to Public Warehousing

As a part of this study, as a sort of preliminary skeleton of the data to be collected, the Department has outlined the duties and services of a traffic department. A small department, naturally, would perform many of these functions in a wholly informal manner; and, of course, many of the suggested duties would not be pertinent to the needs of a small firm; few concerns, indeed, would require the entire 67 services. Nevertheless, the outline does give a most convenient yardstick to measure:

A. What the department is now doing for traffic; and

B. What it ought to do; and

C. What new duties it might reasonably assume.

Such an outline may suggest to the traffic manager services he ought to add to his present responsibilities. It may suggest to other executives things to be required of the traffic manager. To run through the items is to subject one's self to a silent examination.

The outline follows:

Administrative

1. Recommending proper locations for distributing and manufacturing.

2. Advising heads of other departments as to shipping policies.

3. Contacting with local, State and national trade and traffic associations.

4. Cooperation with officials of carriers and service concerns.

5. Keeping informed concerning current business and legal changes affecting the firm's shipping.

Legal and Regulatory

6. Detecting rate and service discriminations and illegalities.

7. Assembling evidence for rate and service cases.

8. Filing informal, formal and special docket complaints.

9. Practicing before carriers and governmental bodies.

10. Preparing and filing briefs for traffic cases.

11. Detecting, preparing, and collecting loss and damage claims.

12. Participating in loss and damage court cases.

13. Intervening in rate and service cases.

14. Participating in local, State, and Federal legislative matters.

Classifications, Rates, Tariffs and Charges

15. Maintaining tariff files.

16. Preparing rate tables.

17. Quoting rates.

18. Analyzing and comparing rates and tariffs.

19. Auditing freight and other transportation bills.

20. Collecting overcharges.

21. Preparing classification schedules.

22. Preparing rate case exhibits.

23. Securing, retaining and preventing classification adjustment.

24. Securing, retaining and preventing rate adjustments.

25. Obtaining new freight rates.

26. Obtaining revisions in tariff rates and regulations.

27. Obtaining transit privileges.

28. Arranging for special services.

29. Making ocean space contracts.

30. Making cartage and trucking arrangements.

31. Entering into warehouse contracts.

Services Handled

32. Packing room.

33. Shipping room.

34. Receiving room.

35. Warehouses, elevators, yards and storage areas.

36. Plant transportation and handling facilities.

37. Industrial railway.

38. Private locomotives, cars, tracks, (etc.).

39. Floating and marine equipment, locks, (etc.).

40. Pipe lines and/or airplane lines.

41. Pneumatic carriers.

42. Telegraph and telephone.

43. Motor vehicles, horses, trucks, wagons, garages, stables.

Facilities Administered

44. Storage and warehousing.

45. Materials handling.

46. Railroad transportation.

47. Steamship, barge and light-erage transportation.

48. Highway (long distance and local) transportation.

49. Communications (telegrams and telephones).

50. Messenger service.

51. Mail service.

52. Parcel post shipments.

53. Express shipments.

54. Passenger matters.

55. Import and export shipments.

56. Selecting and securing proper packing materials.

57. Assembling, packing and marking.

58. Car ordering, inspecting, and preparing.

59. Loading, stowing, checking, sealing.

60. Booking cargo space.

61. Preparing shipping documents and billing.

62. Routing shipments.

63. Pooling orders and consolidating shipments.

64. Tracing and expediting shipments.

65. Unloading, unpacking, and checking.

66. Disposing of packing containers and materials.

67. Arranging for average (demurrage) credit, weighing, and side-track agreements.

Associations

IF a firm belongs to an association which has a traffic department, the association's traffic manager will perform some of the services mentioned in this outline. The association will also

render some services beyond the responsibility of a single firm.

The association's traffic manager, in the first place, will be generally recognized as the association's spokesman for traffic and transportation matters. He will be so treated by the carriers' traffic associations, the State and Federal commissions, the Department of Commerce and the Treasury Department, and others.

In the second place, the trade association has a number of traffic responsibilities which will be passed on to the association officer because they are difficult, although the traffic manager for a single firm might do the work. Such services are: auditing freight bills, tracing lost shipments, routing, preparing claims, furnishing quotations, making traffic studies, and presenting cases before the regulatory commissions—these being arranged in an ascending scale, least likely first and most probable last. Often, in order to finance the association's traffic department, the more ordinary duties of a traffic department are thus centralized, either as a part of the membership fee or on some basis of paying according to service.

A third service, and the most usual, is to assign to the association's traffic manager more specialized duties than individual firms can afford to undertake, or duties which a central office can shoulder for less expense than manufacturers acting singly. Among such duties are the following:

1. Making of classification and rate studies of the commodities produced by the association.

2. Preparation of standard forms of bills and shipping papers.

3. Analysis of general traffic conditions which affect or influence the industries of the association.

4. Protection of the association, individually and as a group, against any form of rate, commodity, place, service, or classification which will inject discriminations.

5. Interpretation of "commission" rulings, classification rules and practices, and tariff provisions, for the association.

6. Preparation and issuance of standard billing descriptions.

7. Preparation of standard packing specifications, shipping instructions, etc.

8. Dissemination of traffic information of interest to association members.

9. Careful scrutiny of the dockets of regulatory bodies and the courts to discover any proposed changes which affect the association membership and to which the association should become party either as complainant or defendant.

10. Presentation of requests for classification changes before the classification committees.

11. Presentation or arrangement for presentation of cases before regulatory bodies or courts.

12. Representation of the association before railroad traffic officials in situations which can best be handled in an informal way, such as adjustments or car allotments and general service complaints.

13. Cooperation with various other departments, committees, and officers of the association by furnishing traffic information as to the advisability, from a traffic standpoint, of opening up new markets or planning advertising campaigns in new territory.

14. The handling of such of the unusual cooperative, service, or protective traffic functions as may be delegated to the association's traffic department by member industries.

15. Keeping the association's traffic records.

Barges, Trucks

IN the practical administration of his department, the traffic manager gradually adds assistants. It has been the custom to employ as "assistant traffic manager" an understudy of the manager himself.

Only within four years has a change emerged in this practice. Today, instead of searching for an assistant with training similar to his own, the traffic manager supplements his own abilities.

He deliberately goes outside his company to find a man different from himself, not a "reflection" of his own image.

He himself is apt to know railroad traffic. When trolleys entered the field as carriers of freight their methods and rates were patterned after those of the railroads, and, routing over their lines, the manager had nothing new to learn except some new names. The important interurban lines, as a matter of fact, are listed in the Official Railway Guide, the Equipment Register and similar railway publications.

Today, however, barge lines and trucks present new problems for traffic. Both are growing as common carriers. Both require intimate acquaintance with their peculiar methods and limitations.

The barge line, for example, brings wholly new conditions into traffic man-

agement. The low rates are attractive, and, with the spread of joint rates over barge-and-rail lines to interior points, these carriers make possible a new grouping of "differential" rates. To ship by barge is not, however, quite as simple as the older all-rail routing nor even the rail-and-water combinations of the Hudson River, the St. Lawrence and the Great Lakes.

Barges, for one thing, operate only when water conditions are favorable. They are closed during winter for any stream that freezes over. They are also closed whenever water reaches a "low stage" such that the barges can not get over bars in the rivers; the same occurs when floods sweep the country, because high water prevents control of the barges and makes impossible a landing (docks are often under water). Barges present some problems of dirt, moisture, grease and contamination unknown to rail transportation. In order to handle traffic expeditiously over barge lines one must be familiar with getting his goods over the landing dock, through waterfront warehouses. Trucking is sometimes a part of the through rate, at other times it is not. The shipper should know. Delays, too, are frequent; sailings are at long intervals. Goods are peculiarly subject to thievery and rifling of contents.

Therefore, in order to benefit from barge transportation and at the same time not run into unexpected delays and losses, a traffic manager faces new problems. A simple way to meet these is to employ as assistant manager some one who knows the peculiar language of wharves and who has had experience with lake or river transportation. With such a man in the department, a firm is in a position to reduce costs for many shipments, to benefit from the "allowances" of barge tariffs, and often to open up new markets.

With trucking, too, a somewhat similar condition arises.

Truck routes, as well we know, are multiplying. They are convenient carriers of goods in small lots. Their pick-up and store door delivery is an added service to the public.

With them, responsibility of the owner becomes highly important. To entrust goods to "unknowns" and fly-by-nights is

to invite trouble. More facts than low quotations of the rate must enter selection of a trucking route—integrity, reliability for promptness, accuracy in reporting, dependability for making any report at all. "Popularity with the receiver," in the words of one traffic manager, "is all-fired important." Problems such as these are difficult to settle, far from a market. These are, too, not included in the training of a traffic manager. Many such managers, therefore, supply their own deficiency by employing, as assistant, some one who knows trucking—through experience of "trying his hand" at operating a truck line or who has been employed in an up-to-date office of such a carrier.

It is necessary to scan "the collectibility" of a trucking concern in case of loss.

The assistant traffic manager in charge of trucking contracts enters a "paradise for the bargainer." With the exception of a few States where trucking rates are regulated there are no tariffs to be observed. Few truckmen know their costs; fewer still know how to estimate a proper rate; almost none has the least idea of adequate charges for accessory services.

Therefore a traffic manager who knows what he wants and who knows rates elsewhere occupies an enviable position in negotiating favorable contracts.

The one thing most desired by truckmen is regularity of load; next comes a return load. The patron who offers tonnage each morning, or even one day a week, is the man they are keen to accommodate. Such a patron, for that reason, can conclude arrangements to his liking. He has the choice of all trucks radiating from the city.

In such ways as these an assistant manager acquainted with the ins and outs of trucking may become a great asset to the traffic department.

In talking with traffic managers it has repeatedly been borne to mind that, both for barge and for truck, the old-line traffic training—on the railroad—is not sufficient. Men report that trucks and barges present so many kinks that a traffic department is apt to pay a high price for its experience unless assistants are hired who understand these newer vehicles of freight traffic.

White Coveralls and White Gloves Advertise the Ferrin Company in Denver

IF you were a Denver resident and I should call the Ferrin Van & Storage Co. and ask that firm to move you, you would be surprised, no doubt, to find, when the van backed up to your door, that the attendants were dressed in white coveralls.

This is a little advertising stunt which E. H. Ferrin, president, has devised, and already it has created quite a bit of favorable comment.

The advertising value lies not so much among the customers, who might be well impressed and who might tell their friends about it, as it does in the impres-

sion the men and their white uniforms make on the neighbors—for we all know that when a moving van draws up before a residence, either to remove furniture or to take furniture in, the neighbors, either boldly or through the lace curtains, observe what is going on. Seeing the Ferrin van with the white uniformed men provides something to talk about.

"Of course we don't use the white uniforms on all jobs," it is explained. "If we're called, for example, to move the furniture in a rooming house, we let the boys wear their everyday outfits. But if we know it is a nice bunch of furniture

and the job is in a good neighborhood, the white uniforms go. Then, too, we have the boys wear white gloves, if the job warrants this "extravagance."

The company stands the expense of laundering the outfits. A clean uniform is provided for each job.

As a means of capitalizing the idea further, Mr. Ferrin has several painted bulletin boards along some of the highways. They carry illustrations of the company's moving equipment, give the office address and telephone number, and admonish the readers to "Look for the men in the white uniforms."

HOW'S BUSINESS ?

GOING TO BE NEXT MONTH

CHARTED BY UNITED BUSINESS PUBLISHERS, Inc.

THIRTY-FOUR ECONOMIC EXPERTS—EDITORS OF BUSINESS PAPERS PUBLISHED BY THE United Business Publishers, Inc.—HERE PRESENT A COMBINED OPINION ABOUT THE COURSE OF BUSINESS DURING THE MONTH OF JUNE. GOVERNMENT AND OTHER RECORDS PROVIDE YOU WITH HISTORY OF RECENT MONTHS. THIS BOARD OF EXPERTS DEALS ONLY WITH THE FUTURE. ITS OPINIONS ARE BASED ON CLOSE CONTACT WITH THE MORE THAN 400,000 SUBSCRIBERS REACHED BY THEIR PUBLICATIONS IN FAR-FUNG FIELDS OF RETAILING AND INDUSTRY.

MONEY is cheap, but equally cautious. It is reported that some banks and loan agencies, however, have reversed their policies and are now seeking outlets in home-building projects. In the merchandising field funds are available, but buying is waiting upon consumer acceptance of new merchandise. Manufactured goods continue to show, with but few exceptions conservative inventories, in contrast to over-production and price distress in many lines of raw material.

Indications are that the public is still buying only the things that it needs. Group action which did much to maintain confidence, now passes the burden of im-

provement to individual action. The tariff is still a cloud of uncertainty in many minds, and expansion in affected lines marks time until the tariff weather is more settled.

Comparison with other years than 1929 would show contemporary progress in a better light, and the criticism of "stabilization" schemes would seem to indicate that economists and bankers are inclined to allow the law of supply and demand to work unhampered.

With a better showing of individual confidence all along the line it is hoped that June may be a month of substantial, if moderate, progress.

THE COURSE OF BUSINESS FORECAST FOR NEXT MONTH

| BUSINESS | SALES | RETAIL STOCKS | COLLECTIONS | COMMENTS |
|------------------------|--|---|---|---|
| AUTOMOTIVE | June 15% less than May. (Normal seasonal decline), 15%-20% less than June, '29. | Small seasonal decrease in new car stocks from May, substantially lower than June, '29. Used car stocks unfavorable, but showing improvement. | June collections about the same as May, slightly lower than June, '29. | Sale of materials and services for operation and maintenance exceed amount of new vehicle sales. |
| DEPARTMENT STORES | Slightly less in June than in May; about 6% less than June, '29. | Slightly less in June than in May; about 2½% less than June, '29. | Slight improvement in June over May; but about 5% behind June, '29. | Reasonable interest by consuming public in new merchandise will open up buying for stock replacement. |
| HARDWARE | June will show slight, but definite improvement over May. 5%-10% lighter than June, '29. | Will show little difference in June over May. Stocks lighter this June than in June, '29. | Will improve in June over May, but noticeably lighter than June, '29. | Tools, building supplies, will begin to move with cheaper money. Trade generally optimistic for last half of year. |
| INSURANCE | Life insurance slightly better in June, Fire and Casualty lower. All three slightly better than June '29. | | Steady on all three lines in June. Life same as June, '29, Fire and Casualty slower. | Life insurance still benefits by uncertainty of stock speculation. |
| IRON AND STEEL | Steel production about 5% lower in June than in May, about 15% under June, '29. | | | Steel industry is moving toward dull summer season, but may come close to duplicating 1928 performance. |
| JEWELRY | Silverware, jewelry, watches, novelties better than May, diamonds about same. All lines less than June, '29. | Slight increase in silverware; jewelry and watches same; diamonds smaller. All lines lighter than June, '29, particularly gems. | Slow, spotted. | Graduations and weddings make June second best gift month. Proposed 10% decrease on diamond tariff slowing up diamond buying. |
| PETROLEUM (Motor Fuel) | Estimated increase of 1.6% in June over May; increase of 8.9% over June, '29. | June will show estimated decrease of 5.7% over May; increase of 13.6% over June, '29. | Fair. | Anticipated profits for June better than May, and possibly better than June, '29. |
| PLUMBING AND HEATING | New building low; replacement and jobbing improving. Total business below June, '29. | Retail stocks unimportant, most goods bought as needed. | United drive throughout the industry is showing improvement. | Replacement business on time-payment basis backed by leading manufacturers offers encouraging outlook. |
| SHOES | Slight increase in June over May. Sales this June about equal to June, '29. | Less than in May, except on summer "cool specialties"; standard goods less, fancy goods more than June, '29. | More cash sales on novelties; credit restrictions lifted, more long datings given, fewer discounts taken. | Shoe production off two million pairs monthly. Low inventory point at retail just ahead. |

"What's Ahead for Business"

Was This Year's Theme at Meeting
of National Chamber of Commerce

*Discussion of Federal Barge Line's Free Storage Practice Proved Feature of
Direct Interest to Warehousing—Other High Lights*

By KENT B. STILES

A GROUP of executives interested in the subject "What's Ahead for Business in Inland Water Transportation" heard an attack on the Inland Waterways Corporation's free storage practice, affecting sugar and other commodities at river ports, at one of the luncheon sessions at the eighteenth annual meeting of the Chamber of Commerce of the United States, in Washington on April 29.

The indictment was voiced by Leon S. Rose, secretary of the Rose Warehouse Co., Memphis, which is one of the ports where the storage business has suffered from the Federal Barge Line's competitive policy, and the group present included Harry C. Herschman, St. Joseph, Mo., general president of the American Warehousemen's Association, and Elmer Erickson, Chicago, general vice-president.

The waterways corporation's free storage practice was to have been discussed by R. W. Dietrich, New Orleans, as chairman of the A. W. A. committee handling the situation, but Mr. Dietrich was unable to attend and Mr. Rose talked in his stead.

The subject was mentioned first not by warehousing's spokesmen, but by a railroad man—Fred W. Sargeant, president of the Chicago & North Western, who, after charging in effect that the rail carriers were not getting a square deal with reference to the inland waterways question, said he understood that the Government's waterways corporation was "trying to destroy some of the great storage enterprises in the United States by competition" and was "using the taxpayers' own money to do it with."

This comment opened the way for Mr. Rose, who told the group that the Federal Barge Line was according

free storage of from sixty days to five months in order to attract shippers' freight, and was in that way taking business away from established warehouses.

The Memphis executive cited one instance in which the Government agency had, he said, lured six carloads of merchandise out of a warehouse in Minneapolis and given it free storage, with a loss of \$540 to the warehouseman.

On another occasion, Mr. Rose declared, 40,000 bags of a commodity had been handled and stored free of charge at Memphis, with the result that a New Orleans warehouse lost business amounting to \$4,000.

Something ought to be done to curb the Barge Line's policy, Mr. Rose said, emphasizing that warehousemen were in a position to provide ample storage facilities at the river ports. The waterways corporation should be compelled to get a reasonable return on its investment, he asserted, without encroaching on an industry already established.

The warehousemen attending the luncheon, which was held at the New Willard Hotel, talked over the advisability of preparing a resolution on the subject of the waterways corporation's practice and having it formally presented for consideration at the general meeting of the Chamber. They decided, however, that the time was not ripe for such action, but that the industry's contentions should at some future time be placed before the Chamber's special committee on inland waterways transportation. It was felt that headway perhaps could more definitely be made through that committee than by offering at the Washington meeting a hurriedly-phrased resolution which might fail to reach the floor at the general session.

THE discussion at the waterways luncheon group meeting was the outstanding feature of direct significance to the warehouse industry, which this year had its largest representation at any Chamber of Commerce assembly. Of general interest to American business as a whole was the adoption of resolutions on such subjects as President Hoover's National Business Survey Conference, agricultural marketing, public expenditures, courts, aeronautics, patent procedure, pay in armed services, forestry, reclamation, highways, automobile insurance, and daylight saving. The Chamber at its general session took

action on these and referred other situations to committees. The resolutions adopted are published in full on pages 20 and 21.

Perhaps second in importance to the Barge Line consideration, from warehousing's viewpoint, was the discussion about the Federal Trade Commission's trade practice policies, inasmuch as movements are under way toward having the storage industry's merchandise and household goods branches brought within the purview of the Commission.

"What's Ahead for Business in Trade Practice Conferences" was the theme at a round table conference which, held at

the Washington Hotel on April 20, was attended by a group of the warehouse representatives. Speakers included Fred W. Swanson of the National Plumbing and Heating Institute, Chicago, and Charles J. Brand, executive secretary of the National Fertilizer Association, Washington, D. C. The executives present listened to first hand accounts of experiences of trade associations operating under Federal Trade Practice Conference rules, and the discussions were illuminating to the storage men present.

The same subject was considered at the luncheon conference of the American Trade Association Executives, at which

A Message to Warehousing from President Herschman of American Association

APPROXIMATELY 3000 business executives attended the eighteenth annual meeting of the Chamber of Commerce of the United States in Washington, April 29 to May 1. It was very gratifying to see many of the officers and members of the American Warehousemen's Association in attendance.

The question of "What's Ahead for Business" was discussed by outstanding business executives of the country from the time President Butterworth delivered the keynote address until President Hoover addressed the convention at the annual dinner.

Members of the American Warehousemen's Association were present at all general sessions and were particularly active in the round table conferences which dealt with inland water transportation, national business survey and trade practice conference.

Every warehouseman may spend time very profitably by reading the entire proceedings of the convention. Particularly important are the following:

Keynote address by William Butterworth, president of the Chamber.

Work of the National Business Survey Conference—address by Julius H. Barnes, chairman of the Conference.

Inland Waterways Development—address by S. O. Dunn, editor *Railway Age*.

Trade Practices and the Law—address by John Lord

O'Brien, assistant to United States Attorney General.

The Federal Farm Board and Business—address by Alexander Legge, chairman Federal Farm Board.

Business and the Federal Farm Board—address by Daniel A. Millet, investment banker and stockman, Denver.

Economics Balance—address by Robert P. Lamont, Secretary of Commerce.

The theme—"What's Ahead for Business to Do"—asserted itself as the convention progressed. Not *how much* is to be done, but *how* business can most effectively meet its obligations.

It is my belief that Julius H. Barnes clearly defined the foundation stone of American business when he said: "I think we have demonstrated that characteristic which is peculiarly American—the ability to discuss national questions with great earnestness, but also with good nature; to differ very radically in viewpoint, yet to be able to exchange these views with restraint and consideration."

What more noble incentive than this might we have for our association work?—to carry on toward the betterment of our industry and those we serve, circumscribing our personal viewpoints by a genuine consideration for the best interest of all concerned. This is cooperation in its fullest interpretation.

It was a privilege to attend the meeting, the far-reaching effect of which I am sure will be beneficial and lasting.

—H. C. Herschman, General President,
American Warehousemen's Association.

the American Warehousemen's Association was represented by Wilson V. Little, Chicago, executive secretary of the merchandise division. At this session one of the speakers was John Lord O'Brien, United States Assistant Attorney General, who said in part:

"The Attorney General of the United States is not and can not be an arbiter in the field of economic interests. His powers and duties relate solely to the enforcement of the law. It is not within his power to change the legal standards of business conduct as defined by Congress and the Courts, and if you stop to reflect upon this you will not wish him either to have or to attempt to exercise any such power. The conduct of business should be guided by standards of law and not by the discretion or caprice of any official."

The Department of Justice, Mr. O'Brien declared, was interested only "in the acts and conduct of individuals and corporations," and dealt with groups of individuals "only in those cases where the individuals are alleged to have combined for some illegal purpose." It was not within the power of the Attorney General "affirmatively to approve trade rules or practices," he said, explaining:

"A practical reason for not attempting this is that neither he nor any other law officer can accurately forecast what individuals may undertake to do in a particular industry pursuant to trade rules. In short, the Department of Justice is not concerned with 'codes of ethics' or codes of 'trade rules' or 'trade plans,' unless illegal practices result from their operations or unless (as in rare cases) the rules on their face obviously contemplate action which, if taken, would be unlawful."

With the Federal Trade Commission the situation was, however, somewhat different, Mr. O'Brien went on, saying:

"While it has no jurisdiction to enforce the Sherman Anti-trust Act, it was jurisdiction to investigate unlawful practices and to enforce provisions of the Clayton Act. In the exercise of its jurisdiction to deal with unfair problems, the Commission has not confined its activities to investigations and prosecutions, but in the desire to aid American business has developed the practice of holding conferences. Out of this has come the Federal Trade Practice Conference which, started as an experiment, has now become recognized as a valuable institution."

"The Department of Justice has no hostility to the Federal Trade Practice Conference. On the contrary, it approves these conferences and believes that within their legitimate field they afford valuable opportunity for education and for constructive progress in industry."

At the round table conference on this subject Christie Benet, general counsel of the National Cotton Seed Products Association, presided. He explained that the Chamber had no other purpose in holding the conference than to permit full and free discussion and that it was not purposed to pass any "wide-flung and sweeping" resolutions.

"Group thinking and group action in trade are evolutions in business," Mr. Benet said. "Bankers make clearing house rules for the regulation of their members. Conferences on sports fix rules and regulations for clean and wholesome sports. For whom? Not for themselves so much as for the benefit of the public. In our opinion, in the trade practice movement the steps must be constant and they must be lawful. We hold no brief for men who violate the law."

Gilbert H. Montague, New York attorney who has had experience with

trade practice groups, told the meeting that he did not believe the situation was so clear at the present time that any one could tell just how far such groups might go in the movement for self-regulation.

"The situation," he said, "does not permit a pontifical statement of what can or what cannot be done. That depends upon what the Supreme Court says."

Neither the Federal Trade Commission nor the Department of Justice, Mr. Montague declared, may safely prophesy what the Supreme Court may say, but they may imitate the Weather Bureau, which relies on certain data showing trends for its predictions, and to some reasonable degree tell what must be the standards for trade practice conferences.

Fred W. Swanson, speaking out of his experience as commissioner of the National Plumbing and Heating Institute, said that in his opinion the machinery to be set up in the organization of self-regulating groups must be established "to reach down into every corner."

He has undertaken among his own groups 2500 manufacturers and wholesalers, and 42,000 contractors who handle their products, an educational program. This has been primarily of a voluntary character to define "unfair competition" and to show wholesalers why they must respect the policies of the manufacturers. This program has been carried on down to the contractors and to the customers themselves.

"The closer you bring your rules down to the individual, the greater your chance of making those rules a success," he said. "I feel that any machinery that is set up must have a top and a bottom—the top to instruct, the bottom to have contact with the individuals engaged in the industry."

"If we had 500 businesses and 500,000 men working for proper methods in conference practice in business, we would have no difference of opinion about the value of this work."

Business must learn not to fear accusations of "tattling" if it is to be successful in self-government, Charles J. Brand, executive secretary of the National Fertilizer Association, declared. Business, he said further, must be prepared and willing to set down violations of its rules governing those who participate in group movements. Otherwise it will never obtain the results it desires.

"If," he added, after explaining the working of his own association, "we proceed with conscience and do not make our codes cloaks for wrong-doings, we will have no trouble with the Federal Trade Commission. But just so surely as we do seek to make them cloaks we will be hailed into court. The most important thing is to get a group to understand the rules and to get them to live up to them."

I. W. McLean, administrator of trade practice in the paperboard, container and folding box industries, told the group that the business man and the man in industry were doing an ideal piece of work in the trade conference movement. In formulating rules, three major things must be borne in mind, he pointed out:

1. Development of honesty of purpose.
2. Exposing of causes of unsettled conditions, such as overproduction and overfacilities, the latter often a consequence of overexpansion during the war and of faulty location of industries.
3. High-cost units which are unable to compete with others more modern because of old-time machinery and methods.

Mr. McLean said it was not difficult to convince a man that he must live up to the rules of his trade groups.

"Don't sell him on the idea that he is hurting himself alone if he violates them," he said. "Sell him on the idea that violations hurt the rules, that he and his industry would be better off if he adhered to them. We lose the aim of living unless we have ideals in our lives and in our business."

Arthur Fisher, Chicago attorney, told the group that it was difficult to apply even existing law in the conference movement, for the Federal Trade Commission does not always show a consistent attitude.

"As I see it," he said, "business is evolving rapidly, but as we move the law lags far behind. By the time we get a decision from the Supreme Court, business men are confronted with whole hosts of new problems. We find ourselves in a twilight zone. We are groping in a fog."

Waterways

At the inland waterways group conference, Cleveland A. Newton, St. Louis, general counsel of the Mississippi Valley Association, declared that the interior of the country needed cheaper transportation than that afforded by the railroads and that the remedy was improved

EXECUTIVES identified with the public merchandise, household goods and cold storage warehouse industry who attended various sessions of the Chamber of Commerce convention at Washington in May included the following:

Baron, Louis, New York, executive secretary American Institute of Refrigeration.

Brown, James C., treasurer Camden Warehouses, Baltimore.

Emmert, N. A., vice-president Chicago Cold Storage Warehouse Co., Chicago.

Erickson, Elmer, vice-president Midland Warehouse & Transfer Co., Chicago and general vice-president American Warehousemen's Association.

Godley, Philip, proprietor Godley's Storage Warehouses, Philadelphia, and president Pennsylvania State Warehousemen's Association.

Gund, J. J., president Lakewood Storage Co., Inc., Cleveland.

Herschman, Harry C., president Terminal Warehouse of St. Joseph, Inc., St. Joseph, Mo., and general president American Warehousemen's Association.

Horne, Frank A., president Merchants Refrigerating Co., New York City.

Jacobs, Olin M., Boston, secretary Massachusetts

Warehousemen's Association.

Little, Wilson V., Chicago, executive secretary merchandise division American Warehousemen's Association.

Mackay, Odin C., manager cold storage department Quincy Market Cold Storage & Warehouse Co., Boston, and president cold storage division American Warehousemen's Association.

Mooney, J. A., manager Industrial Cold Storage & Warehouse Co., Philadelphia, and treasurer American Institute of Refrigeration.

Nickerson, J. F., editor "Ice & Refrigeration," Chicago, and general secretary American Institute of Refrigeration.

Poole, Gardner, executive vice-president General Seafoods Corporation, Boston, and new president American Institute of Refrigeration.

Rose, Leon S., secretary Rose Warehouse Co., Memphis, Tenn.

Stiles, Kent B., editor "Distribution and Warehousing," New York.

Switzler, R. H., treasurer St. Louis Refrigerating & Cold Storage, St. Louis, and retiring president American Institute of Refrigeration.

Winslow, Charles A., president Winslow Trucking Co., Inc., Watertown, N. Y.

waterways. The Middle West, he declared, could not compete with the manufacturing sections enjoying the benefits of water transportation unless it, too, was accorded such benefits.

Samuel O. Dunn, Chicago, editor of the *Railway Age*, contended that, with few exceptions due to very unusual conditions, "transportation on improved rivers and canals always has been, since the early days of railroading, more expensive than by rail, is now and probably always will be in the future." If all costs were taken into consideration, he asserted, the conclusion was inescapable that rail transportation was cheaper than inland waterway transportation. He excluded waterway transportation on the Great Lakes, saying that everybody conceded that the cost of transportation on the Great Lakes, as well as on the ocean, was less than by rail. He insisted that in comparing rail and inland waterway costs the amount of money put into the latter by the taxpayers must be considered.

Fred. W. Sargent, president of the Chicago and North Western, declared that if Government restrictions were lifted from the railroads they would make rates that would result in shippers forgetting about inland waterway transportation. He charged that the Government Barge Line wanted the railroads to assume 51 per cent of the

shrinkage in the barge line rates under the all-rail rates. He charged in effect that the railroads were not getting a square deal with reference to the inland waterway question. He denied that the railroads had driven the boats off the rivers or were trying now to throttle waterway transportation.

It was at this point that Mr. Rose made his talk on the free storage situation.

John H. Small, former president of the National Rivers and Harbors Congress and former member of Congress, asserted that the railroads had driven the boats off the rivers. He believed there was room for all agencies of transportation to live. He said the policy of the Government with respect to improvement of waterways was so thoroughly established that it would not be overturned.

W. R. Dawes, president of the Mississippi Valley Association and president of the Central Trust Company, Chicago, declared that the main issue as to investment of public funds in waterways was whether the expenditure afforded a cheaper method of transportation than by rail, but felt that when the problem was worked out there would be business both for the railroads and the water carriers.

S. A. Thompson, secretary of the Na-
(Concluded on page 21)

Here Are the National Chamber's Resolutions Adopted at Washington

BUSINESS SURVEY CONFERENCE

SINCE the Chamber's last annual meeting American business and the country as a whole have experienced a period of unusual stress and difficulty. During this time the forces both of Government and of private business have joined hands in a nation-wide effort to reduce the severity of the depression and to shorten its duration. We desire to use this occasion for an expression of appreciation for the vision and leadership of the President of the United States in his timely initiation of this movement.

In the emergency of recent months we feel private business has responded in a most effective manner. The National Business Survey Conference has rendered a great service to the country by mobilizing the constructive forces of business and public opinion. This has been accomplished by placing the facts of the situation before the public from time to time, correcting unfounded rumors, and serving as a clearing house of information for the guidance of individual judgment.

To develop the spirit and practice of mutual helpfulness among all industries based on a common interest in the maintenance of stable business and employment conditions we recommend continuance of the effort represented by the National Business Survey Conference as a logical means through which to seek this type of information exchange between various industries and lines of business.

AGRICULTURAL MARKETING

WE reaffirm the earlier declarations of the Chamber made through referendum vote of its membership upon a carefully matured report of a representative committee, in supporting the principle that the producers of agricultural commodities should have the benefits which cooperative marketing of their products along sound economic lines can confer; in pointing out that all agricultural credit requirements could be met by full development and adaptation of existing credit facilities to local and commodity needs, rather than by the creation of new credit facilities; and in advocating a Federal Farm Board to assist agricultural producers and their organizations in solving the problems peculiar to agriculture.

The legislation which was enacted in June, 1929, was in contravention of the Chamber's proposals in its provision of new credit facilities in the form of large sums of money from the public treasury to be used under the Act as the Farm Board might decide. During the business crisis of some magnitude which has occurred during the last six months these funds have been brought into use in various ways.

We recognize the emergency considerations which may have impelled this resort to the Federal treasury, but the experience which has been gained now permits an appraisal both as to immediate effect and long-range results.

The anticipated benefits to the farming interest as a whole have not been realized. On the contrary there has been impairment of the marketing structure and prevention of support which otherwise would have been given to the marketing of agricultural products which were affected by the use of public monies. Without benefit to agriculture there has been imposed unbearable hardship upon business enterprises unable to maintain their position against discriminatory competition from the Government.

We accordingly express our continued opposition to the use of Government funds in providing capital for the operation of agricultural cooperatives, and for the buying and selling of commodities for the purpose of attempted stabilization. We condemn as a permanent policy of Government the employment of public funds for the purpose of participation in business in competition with established agencies and support the proposal for an amendment of the agricultural marketing Act to repeal the authority of the Federal Farm Board to use Federal funds for such a purpose.

We advocate the continuance of the Federal Farm Board as a proper agency, conducted at Federal expense, for the gathering and circulation of authoritative information, for ascertaining conditions of overproduction, for advice as to its business problems affecting agriculture both in production and in marketing.

We believe it is desirable to apply sober and devoted study to methods by which cooperative organizations on their own resources may find their warranted place, without the present danger of undermining

marketing facilities and thus unfavorably affecting farm product prices. We therefore recommend that the Chamber with adequate preparation call a conference of wide representation, including farm cooperative leaders, to study and define measures of sound and effective aid to agriculture.

PUBLIC EXPENDITURES

THE Chamber has assisted the business men's organizations in developing programs for obtaining greater economy in public expenditures and more substantially equity in taxation. The results which have been achieved well justify the Chamber in proceeding aggressively to interest all commercial organizations in the necessity for their taking an active interest in the financial problems of their communities and in stimulating the business men in each community to give increased consideration to means for avoiding waste and extravagance in public expenditures, for securing uniformity in city, county, and State tax legislation, and for simplifying the revenue systems of the several States.

COURTS

THE Chamber protests against the passage of any law the effect of which would be to curtail the established jurisdiction of courts of equity to protect by injunction, in proper cases, any rights of persons or property from irreparable injury.

AERONAUTICS

THE Chamber has long advocated the use of air transportation to afford more rapid postal service. We believe that only with the extension of air mail lines will the full usefulness of this service be attained. We accordingly welcome the legislation which is being enacted for the purpose of enabling the Postmaster General to place contracts for air transportation of mails for adequate periods on a basis of compensation equitable for the service rendered and to further advance and encourage the development of the country's air transportation system. We advocate that legislation for this purpose should be kept current with the progress of the art of air transportation, including service overseas as needed for our business and development of our foreign trade.

The importance of uniformity throughout the country in laws and regulations affecting civil flying has been emphasized before by this organization. Much progress has been made by the States in enacting legislation suitable for this purpose. We urge that States which have not yet enacted legislation requiring Federal licenses for aircraft and air men engaged in intrastate flying, in order that uniform and high standards may be applicable in all parts of the country, should now enact laws conforming to the recommendations of the Department of Commerce. The development of the use of gliders should be encouraged under proper standards of design, construction and operation. Aeronautical laws and regulations adopted by the States should, as under the air commerce Act, suitably provide for the inspection, licensing and operation of gliders as well as power aircraft.

Continued development of airports and airways is vital to the efficiency and safety of air transportation and should be encouraged by State and Federal governments, including the services of weather reporting, radio direction and communication. To further uniformity in airway markings, lighting and other means of identification, and more efficient and safer use of airports and airways, it is recommended that a conference be called by the Secretary of Commerce at an early date to consider the laws, regulations and practices relating thereto, including local enforcement.

PATENT OFFICE

A DEQUATE provision for the administration of the patent system is an important factor in the industrial progress of the country. Congress has recently enabled the Patent Office to increase its staff. We urge that the Patent Office should at all times in its staff and through the compensation it pays for efficient services be in a position to perform its functions with that promptness and that accuracy which are essential for the welfare of American business enterprises.

PAY IN ARMED SERVICES

EXISTING pay schedules for the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service contain inequities in the rates of pay for different ranks and have been in force so

long in substantially their present form as obviously to require revision in accordance with present conditions. We believe that there should be such a revision as will place the rates of pay for the several ranks in their proper relations and will afford compensation appropriate to the standards which should be maintained in these services.

FORESTRY

THE broad principles of a national forest policy have been formulated by the national Chamber in a referendum on that subject. Experience has demonstrated that the movement toward maintaining the nation's forest resources could be further accelerated. Private forest land owners should study the practicability of organizing forest properties and manufacturing plants on a basis of sustained yield in cutting and manufacture. Publicly owned timber should so far as practicable be permanently managed on a sustained yield basis, utilizing forest products only to maintain existing forest industries or meet local requirements, unless, or until, their utilization will not result in overproduction of the products.

In the administration of timber lands it should be the policy of public authorities to preserve such bodies of timber along improved highways as are essential for the maintenance of the natural attractiveness of these important routes of travel.

The Federal Government should expand its forest planting program on the national forests with special reference to the early reforestation of denuded areas on watersheds important for navigation, irrigation, and municipal water supplies. Fire prevention improvements in the form of fire lookouts, roads, trails and lanes, should be provided for by the Federal Government to conserve the timber resources on national forests and to serve as demonstrations to other forest owners. Furthermore, Congress should appropriate the full amounts authorized by the Clarke-McNary law, which provides for cooperative forest fire control by Federal, State and private agencies, in order that the obligations of the National Government may be fulfilled. The increasing loss of timber from tree-killing insects and diseases warrants emergency assistance from the Federal Government for research work and control of epidemics.

RECLAMATION

WE approve the present policy of the Federal reclamation service in developing small projects to furnish supplemental supply of water to lands which are already partially irrigated but for which there is an insufficient supply of water to make production economically sound for the farms which have been established. Projects furnishing supplemental water will add to farm prosperity and will thus give aid to agriculture without adding materially to surpluses.

HIGHWAYS ON FEDERAL LANDS

IN western States there are large areas of public lands held by the United States for its own purposes. There is urgent need for construction of highways across these lands as important connecting links on interstate highways and construction of highways to promote the use of some of these lands for the purposes for which they are intended. Congress should make suitable provision for the Federal Government to construct these highways on its own lands at its own expense.

INTER-AMERICAN HIGHWAY

THE Sixth International Conference of American States meeting at Havana, Cuba, February, 1928, recommended to the several countries of the Pan American Union that steps should be taken immediately looking forward to the construction of a great inter-American highway in the interest of closer relations between the peoples of the new world.

Development of such a road would provide the two continents with their first all-land artery of communication and would have a far-reaching and favorable influence upon all nations of the Pan-American Union.

The Chamber endorses this proposal and urges that the Government of the United States give every fitting cooperation to the other Governments of the Pan-American Union in its realization.

MEDITERRANEAN FRUIT FLY

THE appearance of the Mediterranean fruit fly in the United States is a serious menace to large horticultural areas and the economic welfare of important sections of

the country. Experience in other countries has demonstrated that eradication of this pest at the earliest possible moment is essential if its spread is to be prevented. Congress should therefore provide ample funds to enable the United States Department of Agriculture to prosecute vigorously a campaign of control and eradication until this menace has been entirely removed.

AUTOMOBILE INSURANCE

THE national Chamber has stated that government should scrupulously refrain from entering any phase of business when it can be successfully undertaken and conducted by private enterprise, and it hereby records its opposition specifically to the creation of State automobile insurance funds.

DAYLIGHT SAVING

DIVERSITIES in conditions and interests prevent daylight saving from being at this time a proper subject for Federal legislation.

OTHER SUBJECTS

PROPOSALS for action upon a number of other subjects were received and with respect to some of them earnest presentations were made. On these subjects, however, the

committee believed either that more detailed examination than the committee could give was desirable before a final decision on policy was undertaken or that inquiry and study would be required to develop the suitability of the subjects for action by the Chamber.

The committee accordingly recommends that the proposals on the following subjects should be referred to the board of directors. With respect to some of the subjects the committee has expressed its suggestions.

Agricultural Research, with a suggestion that the Chamber already through a referendum vote has a position to support of economic and scientific agricultural research.

Automobiles—Financial Responsibility Laws, with a suggestion that this subject may be considered by the coming street and highway safety conference.

Banking—Proceeds of Drafts, with a suggestion that the subject be referred to the Finance Department committee.

Censorship, with a suggestion that the subject have the attention of the Civic Development Department committee.

Communication Facilities, with a suggestion that the subject is obviously so important as to be worthy of special study and report.

Foreign Trade, with a suggestion that the subject is suitable for consideration by the board.

Highway Advisors for Latin America, with a suggestion that the present position of the Chamber is acceptable to the proponents.

Imports of Trade-Marked Articles, with a suggestion that the provisions to which the proposal was directed have now been removed from the tariff bill.

Inheritance Tax, with a suggestion that the Chamber is already committed through a referendum in accordance with the proposal.

Inland Waterways, with a suggestion that these proposals may be considered by the committee on inland waterway transportation for which the board has recently provided.

Merchant Marine.

Motor Common Carriers, with a suggestion that there should be study and report by the appropriate committee.

Panama Canal.

Porto Rico.

Postal Savings, with a suggestion that there be study by the Finance Department committee.

Railroad Consolidations, with a suggestion that there should be committee study and report.

Railroad Revenues.

Railroad Rate-Making, with a suggestion that there should be committee study and report.

Watershed Protection.

tional Rivers and Harbors Congress, said those attacking inland waterway improvements proceeded on the assumption that the water carriers would take business away from the railroads, but that in 43 years of experience he had not observed that that happened. All large cities, said he, were on waterways and concluded by asking, "How come?"

Insurance

Relative merits of financial responsibility and compulsory insurance laws as a panacea for motor vehicle accidents, and the outlook for future legislature along these lines, were discussed at the round table conference on "What's Ahead for Business in Insurance?"

Financial responsibility legislation in New Hampshire, the first State to adopt such a law, the meeting was told by John E. Sullivan, the State's insurance commissioner, had resulted in increasing from 25 to 75 per cent the number of motor vehicle owners who carry insurance and had led to more careful operation, as proved by the fact that fatal accidents and injuries had not increased proportionately with the growth in registrations.

"It should be recognized that the primary intent of the measure has actually been accomplished," Mr. Sullivan said. "It is folly to contend that an automobile liability policy will have any material effect in reducing automobile accidents. Policy is designed and purchased to protect the liability of the assured. A normal person can be relied upon, with or without insurance, to exercise reasonable precaution in the operation of his motor vehicle. Is it not reasonable to assume that the twenty-five per cent of motorists who are without insurance protection but who realize the penalty under the provisions of the Act will exercise more care in the operation of their motor vehicles than may ordinarily be exercised by the seventy-five per cent of owners who are covered with insurance.

"The most striking illustration of merit or ability in any business pursuit, whether it be commercial, industrial or professional is ability to satisfy. In

that regard I contend that the New Hampshire law has definitely indicated its ability by satisfying the residents of that State 100 per cent."

One-third of the motorists in the United States and half of those in Canada now operate under financial responsibility laws, according to Owen B. Augspurger, chairman of the compulsory automobile liability insurance committee of the American Automobile Association. In such States as have had the law for a considerable period the results had, he declared, been satisfactory, which could not be said for compulsory insurance legislation, such as that in Massachusetts, where accidents have increased, fraud has been prac-

ticed and there has been a general inability to enforce certain provisions, such as those calling for revocation of license as a result of violations.

It was stressed by speakers, however, that there had not yet been sufficient experience with financial responsibility legislation to permit the drawing of concrete conclusions as to its efficiency, and it was recommended that an exhaustive study be made of the manner in which it is operating in the various States which have adopted such legislation in the past three years.

"The greatest need today is accident prevention, not accident indemnity," declared F. Robertson Jones, secretary of the New York City committee of nine of financial responsibility for automobile accidents. "The safety-financial responsibility measures meet this need better than any plan that has been devised. Compulsory insurance measures by subordinating safety to indemnity have a directly opposite tendency, as demonstrated by the Massachusetts experiment.

"The only genuine criticism of these safety-financial responsibility laws is that uninsured motorists may have one serious accident without providing redress before being called to account. In my opinion, however, the provision of these laws for the suspension of all driving rights until a settlement is made will be at least as effective in this respect as compulsory insurance possibly can be. Such a provision will make uninsured judgment debtors try to pay up instead of trying to dodge payment, and certainly will induce uninsured drivers with little or no means to either be more careful or to buy insurance. While this provision does not absolutely guarantee the payment of financial judgments, yet the prospects of permanent expulsion from the road is such a compelling alternative that it certainly will tend to reduce unpaid judgments to a minimum. It is doubtful if compulsory insurance could do as well, for in Massachusetts it has been demonstrated that there always will be thousands of uninsured cars even though all are supposed to carry insurance."

AT the Chamber convention the speeches and discussions were so many that an entire magazine would be required to reproduce them. Some of the addresses were given wide distribution in the daily newspapers at the time they were delivered—including the ones by President Hoover, Secretary of Commerce Lamont, and Julius H. Barnes, chairman of the President's National Business Survey Conference.

On these few pages, accordingly, an effort has been made to present particularly those features directly of interest to warehousing. Such subjects include inland waterways competition, Federal Trade Practice Conference and compulsory motor vehicle insurance.

Readers desiring a more detailed report of the convention will find one in a special issue, dated May 20, of *Nation's Business*, the Chamber's publication.

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I. C. C. Announces New Investigation of Motor Vehicle Common Carriers

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

ANOTHER general investigation of the "coordination of passengers and property in commerce by motor vehicles on the public highways by or in connection or in competition with common carriers" will be undertaken by the Interstate Commerce Commission. The Commission's decision to undertake this investigation was made known on May 15.

The Parker bus bill that has passed the House and is pending in the Senate has in it provisions in the application of which the Interstate Commerce Commission will have to have rather definite data as to the proprietary interests in motor vehicle lines of rail and water carriers. For example, paragraph f of section 5 of the Parker measure reads:

"That if it appears at any time that motor vehicle service in interstate or foreign commerce on any public

highway is alone carried on by a railroad company, or alone by persons or corporations owning an interest in a railroad company, the Commission shall give consideration to the issuance of a further certificate to a common carrier by motor vehicle on such highway, if applied for by any person or corporation not interested in a railroad company and shown to be qualified to meet the rules, requirements and conditions fixed by the Commission for such service."

Again, in the handling of consolidations and mergers and the sale of motor vehicle lines, the Parker bill provides certain limitations to be applied when a rail carrier is interested in the transaction.

The opinion prevails in Washington that the prospects of having to administer a motor vehicle law, the character of which is clearly indicated by the House action on the Parker bill, may have been an important factor in the Commission's decision to undertake the investigation it has announced.

ANOTHER factor undoubtedly was the necessity of knowing whether or not the carriers by rail and water are making such concessions in rates for motor vehicle hauls as place an unwarranted burden on other rates.

In the recent case before the Commission in which the bus delivery system of the B. & O. from its station in Jersey City to New York City was involved, this question of relation between the cost of bus service and the cost of rail service came in for discussion. However, the forthcoming inquiry is concerned with freight operations as well as passenger, and therefore takes on added importance. The scope of the investigation is indicated in the following text of the Commission's formal order:

"It is ordered, That the commission, upon its own motion, enter upon an investigation into and concerning the general matter of coordination of motor transportation of passengers and property on the public highways by or in connection or in competition with respondents, whether such motor transportation is performed by respondents directly or indirectly or through subsidiary or affiliated companies, or through control in any manner in whole or in part, or by other operators of motor vehicles, such investigation to include an inquiry into:

1. "The arrangements under which such motor transportation is performed by or in connection or in competition with respondents, and the legality and propriety thereof;

2. "The corporate organization, and financial and business relationship existing between respondents and corporations or the stockholders thereof engaged in motor transportation of passengers or property by or in connection or in

competition with respondents;

3. "The extent to which the property of respondents or the time of employees thereof is devoted to motor vehicle operations to supplement, replace, or curtail the rail, water, or rail-and-water operations of respondents, or as feeders or distributing agencies thereof;

4. "The rates, fares, and charges, whether local, proportional, or joint, the schedules thereof, and the manner of filing and publishing the same;

5. "The extent and effect of motor vehicle competition upon the traffic and revenues of respondents;

6. "The manner in which accounts of revenues and expenses of such motor vehicle operations are kept;

7. "Whether the revenues from such motor vehicle operations are compensatory for the cost thereof; and

8. "Such other matters as may be relevant to a full and complete investigation into the coordination of motor transportation,

"With a view to making such findings and taking such appropriate action as the facts developed by such investigation may warrant, and for the purpose of making such recommendations to Congress respecting such legislation as may be necessary or desirable in the public interest to accomplish further or more efficient coordination of motor transportation."

All common carriers by rail, water, or rail and water, subject to the interstate commerce Act, are made respondents in the investigation, clearly indicating the comprehensive scope of the pending inquiry.

This will be the second extensive investigation made by the Interstate Commerce Commission into the motor vehicle field. The first was undertaken in 1926,

the Commission reporting its findings in April, 1928. It made, at that time, recommendations on which many features of the Parker bus bill were based. It then came to the conclusion that Federal regulation of freight traffic by motor vehicle would be premature.

Since 1928 there has been rapid extension of the use of motor vehicles in freight traffic both by rail carriers using the motor truck as feeder lines, and for the collection and delivery of freight. With further development of the inland waterways, especially in the Mississippi Valley, where the Inland Waterway Corporation operates the Federal barge lines, there is the prospect of further expansion of the motor vehicle freight carriers to serve between river ports and the interior towns.

It is evident that the Commission finds it desirable at this time to get a definite picture of the whole motor vehicle transportation development to date, particularly as it has hooked in with rail and water carriers.

The Commission later will announce the dates and places of hearings incident to its investigation.

Parker Bus Bill Is Taken Off Program

IN the United States Senate's new legislative program drawn up by the majority steering committee the resolution to regulate interstate motor bus transportation has been eliminated from the session's program.

This action was announced at Washington on May 7 by the committee's chairman, Senator Vandenberg, of Michigan, who explained that the tide of opposition would lead to too lengthy a controversy for action at this session.

Freight Forwarders' Services Are Subject of I. C. C. Inquiry

*Investigation Is to Develop Authoritative Data to Determine
Whether Commission Will Entertain Formal Complaint
Against the Present Arrangements with the Rail Carriers*

By Horace H. Herr

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

INFORMAL investigation of the trend in ownership and control of freight forwarding companies is in progress through the Bureau of Inquiry of the Interstate Commerce Commission. The inquiry appears to have been inspired by a letter written by Johnston B. Campbell, formerly a member of the Commission. In this letter, addressed to Joseph B. Eastman, chairman of the legislative committee of the Commission, Mr. Campbell wrote:

"I am asking the Interstate Commerce Commission to investigate on its own motion the corporate entity, the practices, the status and the intents and purposes of the so-called forwarding companies."

The existence of the letter was disclosed when Commissioner Eastman appeared before the House Committee on Interstate and Foreign Commerce in connection with its

investigation of holding companies in the transportation field.

Inquiries such as the present informal one are made for the purpose of developing authoritative data to enable the Commission to decide whether a formal complaint and investigation are justified. Until the Commission has considered the report from its Bureau of Inquiry and decided whether it will undertake a general investigation of freight forwarding companies, it may not be said that a formal investigation or complaint is before the Commission. As often as otherwise, perhaps, the informal investigation convinces the Commission that there is no cause for action.

In his letter to the Commission, former Commissioner Campbell said that he had in mind "particularly the National Freight Co., the United States Freight Co. and the Universal Carloading and Distribution Co., as well as the Bush Terminals and all other corporations doing a so-called forwarding business."

ONE of the major sources of profit for the freight forwarding companies is the collection of less than carload shipments until a carload has been assembled. This volume is then forwarded by carload and gets the benefit of the carload rates, which are lower than the less than carload rates. While the difference between the l.c.l. freight rate and the carload rate is a source of profit to the forwarding companies, in most instances they are instrumental in obtaining a substantially better service for the l.c.l. shipper, as his small shipment goes forward with other like shipments in carload and therefore gets the through carload service. In most instances this is a faster and safer service than would be available to the individual l.c.l. shipment.

Many shippers and transportation experts assert that the freight forwarding companies, without adding to the aggregate

cost of transportation, are rendering very valuable service to an ever increasing number of l.c.l. shippers.

On the other hand, it is intimated that the larger freight forwarding companies have come under an improper domination by carriers.

Mr. Campbell in his letter discussed this phase in detail and expressed the belief "that a crisis had been reached, or soon will be reached, in a practice which bids fair to destroy not only the control of traffic and transportation by the Interstate Commerce Commission, but also destroy the classification of commodities and endanger the revenues of carriers; that the practice, if continued, will tend toward monopoly in business and completely destroy not only the man who is operating a forwarding business in a small way, but destroy wholesalers, manufacturers, jobbers and retailers, and build up monopoly in the hands of

large concentration of capital for the purpose of doing business in the various lines."

The alleged facts and deductions on which Mr. Campbell bases this conclusion, as set out in his letter to the Commission, are as follows:

"The National Forwarding Co. was formed October, 1929, and it is my information that all of the stock of the National Freight Co. is held and owned by the Pennroad Corp. It is also my information that the stock of the Pennroad Corp., which was incorporated April 24, 1929, is held in a voting trust for a period of ten years; that the relationship between the Pennroad Corp. and the Pennsylvania R.R. Co. is very close, which is shown by the fact that the three voting trustees of the Pennroad Corp. are W. W. Atterbury, president of the Pennsylvania R.R.; Effingham B. Morris, chairman of the finance

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committee of the Pennsylvania R.R., and J. Cook, a director of the Pennsylvania R.R.

"I think I can safely say that the National Freight Co. makes no secret of the fact that it works in close cooperation with the Pennsylvania R.R., and the National Freight Co. has a program under way which will give the Pennsylvania R.R. agencies in every city of more than 200,000 population. This plan is designed to meet the competition of the United States Freight Co., which works closely with the New York Central R.R. interests and which has agencies in 62 cities. Properties acquired by the National Freight Co. since its incorporation include Judsen Freight Forwarding Co. and G. W. Sheldon & Co., which had offices in the important cities. These offices have since been increased to 26, and arrangements are under way to bring the total to about 50. These offices will be used for the solicitation of traffic for the Pennsylvania R.R. (See Moody's Manual Service for Feb. 1, 1930, page 1697).

"The United States Freight Co. was incorporated May 16, 1925. At the time of its incorporation it was apparently free from the domination or control of any railroad. I believe that an investigation made by the Commission would demonstrate the fact that at the present time the United States Freight Co. and its subsidiary, the Universal Carloading and Distribution Co., are dominated and controlled by the New York Central R.R. Co. It is my belief that an investigation would disclose that the New York Central R.R. and/or their officers and stockholders control the affairs of the United States Freight Co., and that the United States Freight Co. holds all the stock of the Universal Carloading and Distribution Co.

"I also believe that an investigation would show that large stockholders of the New York Central, through purchases of stock of the United States Freight Co. in open market, were enabled to elect and did elect new directors to the board of the United States Freight Co., for the sole purpose of effecting a close cooperation between the Universal and the New York Central. G. C. Woodruff, former director of the New York Central, was made chairman of the board of the Universal, and he, in the conduct of the affairs of the Universal, favored the New York Central R.R. to such an extent that the Universal is looked upon as a subsidiary of the New York Central R.R. Co.

Truck, Water, Rail

"I believe that an investigation by the Commission would disclose the fact that the Universal Carloading and Distributing Co. and the United States Freight Co. are common carriers. It is my belief that they can be shown to be common carriers by truck, by water and by railroad. It is my understanding that the Universal Carloading and Distributing Co. and the United States Freight Co. are sole owners of the Trans-Continental Freight Co., the Nicholson Uni-

versal Steamship Co., the Baldwin Universal Co., the Newtex Steamship Corp., the Bekins Household Shipping Co., the Universal Trucking Co. and the Universal Terminal and Warehouse Co.

"I believe that an investigation would show that at least some of the officers of the National Freight Co., the Universal Carloading and Distributing Co. and the United States Freight Co. travel on passes furnished by the Pennsylvania R.R. Co., New York Central and others.

"It is my information that the Universal Carloading and Distributing Co. filed a bond with the Treasury Department of the United States, wherein said corporation claimed to be a common carrier; that the bond filed was thereafter approved by the Treasury Department and that the said bond conforms to the customs rule No. 3587 and is the same kind of a bond required to be filed by the railroads in order to handle exports and imports in bond.

"I am firmly convinced that by an investigation of the Interstate Commerce Commission it can be readily shown that the National Freight Co., the Universal Carloading and Distributing Corp., and the United States Freight Co. issue tariffs to and from all of the leading cities of the United States, which tariffs they use for the purpose of advertising their business and soliciting freight. That it could be shown that said forwarding agencies, and each and all of them, depart from the published tariffs whenever it becomes to their advantage to do so, and that this departure from said tariffs for various shippers is nothing more or less than rebating in its very worst form.

"It is my belief that an investigation of the Commission would show that the affiliation of the above-mentioned forwarding agencies is so close to the Pennsylvania R.R. Co. and the New York Central R.R. Co. as to make them instrumentalities for and on behalf of said railroad companies for the purchase of freight and the granting of rebates to various shippers.

"It is my belief that an investigation by the Commission would disclose that each and all of the above-mentioned forwarding agencies receive concessions and preferences as shippers, especially from the Pennsylvania R.R. and the New York Central, which are not given to other shippers who use the said railroads. That these preferences and concessions are in the shape of nominal rentals for properties occupied and used by the said forwarding agencies, the payment for loading and unloading of freight not being allowed to other shippers, the rental of loading and unloading devices in the use of container cars not granted to other shippers, and the granting of free lighterage to the said forwarding agencies which is not granted to other shippers.

"It is my information that the Bush Terminal Warehouse Co. has recently embarked, or is about to embark, upon the forwarding business, and that their activities will be world-wide.

"I am interested in this matter on behalf of small exporters and importers

who endeavor in a small way to do a forwarding business, and the practices of these large corporations mentioned above are such that it is becoming more and more difficult for the small forwarder to remain in business. It is my firm belief that this condition is exceedingly serious. The situation is so widespread and so serious that it would be quite impossible for small forwarding agencies to get together sufficient funds with which to make a comprehensive investigation. While I believe that the law at present may be broad enough to reach some of the practices of the carriers in their dealings with these forwarding agencies, and while I also believe that the practices of these forwarding agencies can be shown to be practices of the Pennsylvania R.R. Co. and the New York Central R.R. Co., and that the Interstate Commerce Commission now has jurisdiction sufficient to prohibit the continuation of these practices, an investigation by individuals would be at such cost and expense that my clients would be unable to raise the funds necessary for an adequate showing.

"I, therefore, ask the Commission to order a general investigation of all forwarding companies and their close affiliation to the railroad companies, the preferences received by them as shippers, and their status as common carriers by railroad. I ask that the Interstate Commerce Commission enter into this investigation with the view of and for the purpose of issuing cease and desist orders against the said railroad companies and their affiliated corporations as shall be found to be unlawful.

"I ask the Interstate Commerce Commission to make this investigation so that they may present to Congress their findings with the view of clarifying the law as to the status of these various forwarding agencies, to the end that preferences, rebates, concessions, buying of traffic and all other acts detrimental to the welfare of the shipping public be controlled and ordered to cease.

"I offer on behalf of my clients such information as I have in my possession, and offer to have witnesses appear before the Interstate Commerce Commission, or any investigating committee of Congress, and present such facts as I have been able to gather."

Milwaukee's Moving

According to figures compiled by Milwaukee's postmaster, Peter F. Piasecki, moving in the Wisconsin city has become an all-around affair. The changes average about 300 day, and on this past May 1 the number was increased by only 200, making 500 for the day.

Moving and cartage companies state that while May 1 and Oct. 1 are still in the lead, other first-of-the-month days are a close second, particularly June 1, April 1, Sept. 1 and Nov. 1.

Rates per hour have not been advanced in Milwaukee for some time, according to the local operators, and by some of the companies job estimates are preferred.

November's Stock Market Is Now Affecting Warehouse Occupancy

Latest Department of Commerce Figures Show That Percentages Receded Steadily, During Ensuing Four Months, to Lowest Level Recorded Since a Year Ago. Relatively Less Tonnage Entered Storage in March Than in February

By Kent B. Stiles

PUBLIC MERCHANDISE WAREHOUSING February-March, 1930

| Division and State | Number of Warehouses | | Per Cent of Floor Space Occupied | | Tonnage | | | |
|-----------------------------------|----------------------|--------------|----------------------------------|-------------|-----------------------|----------------------|-----------------------|----------------------|
| | | | | | Received During Month | Delivered on Arrival | Received During Month | Delivered on Arrival |
| | *Feb. 1930 | Mar. 1930 | *Feb. 1930 | Mar. 1930 | *February 1930 | | March 1930 | |
| NEW ENGLAND: | | | | | | | | |
| Mass., N. Hamp. and Vt.... | 44 | 44 | 52.1 | 50.4 | 10,415 | 3,567 | 10,670 | 3,515 |
| Conn. and R. I. | 17 | 17 | 54.0 | 57.7 | 4,026 | 2,722 | 7,134 | 3,945 |
| MIDDLE ATLANTIC: | | | | | | | | |
| N.Y. Metropolitan Dis. (1)... | 366 | 366 | 71.4 | 69.7 | 59,609 | 2,322 | 55,711 | 18,140 |
| Brooklyn..... | 250 | 250 | 64.1 | 66.7 | 28,563 | 120 | 23,969 | 15,253 |
| Manhattan..... | 78 | 78 | 79.6 | 75.3 | 9,320 | 632 | 9,760 | 454 |
| Nearby N. J. and all other... | 38 | 38 | 79.4 | 69.9 | 21,726 | 1,570 | 21,982 | 2,433 |
| New York..... | 379 | 378 | 69.5 | 70.1 | 58,319 | 5,638 | 54,729 | 20,556 |
| New Jersey..... | 43 | 44 | 78.3 | 67.8 | 14,084 | 2,252 | 15,774 | 2,258 |
| Pennsylvania..... | 43 | 43 | 64.3 | 63.0 | 12,765 | 3,062 | 14,196 | 3,870 |
| E. NORTH CEN.: | | | | | | | | |
| Ohio..... | 38 | 37 | 84.1 | 84.5 | 31,106 | 4,378 | 23,666 | 4,786 |
| Indiana..... | 28 | 28 | 78.0 | 78.5 | 2,529 | 1,669 | 4,675 | 1,759 |
| Illinois..... | 63 | 63 | 80.4 | 78.7 | 48,008 | 5,170 | 45,765 | 4,798 |
| Chicago..... | 40 | 40 | 83.1 | 80.4 | 43,823 | 3,248 | 41,458 | 2,637 |
| Michigan..... | 53 | 53 | 70.9 | 73.4 | 12,665 | 2,808 | 17,486 | 3,446 |
| Wisconsin..... | 36 | 36 | 78.2 | 79.6 | 5,442 | 2,112 | 6,335 | 2,714 |
| W. NORTH CEN.: | | | | | | | | |
| Minnesota..... | 46 | 46 | 78.0 | 71.9 | 15,557 | 6,761 | 18,214 | 7,769 |
| Minneapolis and St. Paul... | 32 | 32 | 78.5 | 72.2 | 14,003 | 5,457 | 14,237 | 6,115 |
| Iowa..... | 28 | 28 | 79.0 | 73.8 | 7,236 | 2,493 | 7,943 | 3,160 |
| Missouri..... | 38 | 38 | 80.9 | 78.2 | 14,631 | 2,691 | 14,045 | 1,769 |
| St. Louis..... | 14 | 14 | 77.4 | 76.4 | 5,712 | 333 | 5,690 | 201 |
| N. Dak. and S. Dak..... | 16 | 16 | 77.7 | 78.2 | 2,317 | 487 | 2,818 | 464 |
| Nebraska..... | 24 | 24 | 77.3 | 69.5 | 5,872 | 2,005 | 8,535 | 2,641 |
| Kansas..... | 20 | 20 | 77.9 | 82.1 | 4,776 | 3,485 | 4,002 | 3,234 |
| SO. ATLANTIC: | | | | | | | | |
| Del., Md. and Dis. of Col.... | 38 | 38 | 64.3 | 65.8 | 22,654 | 3,944 | 20,080 | 4,229 |
| Va. and W. Va..... | 20 | 20 | 87.6 | 89.2 | 3,186 | 936 | 4,477 | 1,015 |
| N. Car. and S. Car..... | 11 | 11 | 70.4 | 71.2 | 1,527 | 570 | 1,845 | 344 |
| Ga. and Florida..... | 35 | 35 | 74.0 | 66.0 | 10,334 | 3,237 | 8,497 | 3,073 |
| E. SOUTH CEN.: | | | | | | | | |
| Kentucky and Tennessee.... | 20 | 18 | 68.4 | 59.5 | 7,129 | 2,780 | 9,541 | 1,810 |
| Alabama and Mississippi.... | 14 | 14 | 69.4 | 67.9 | 2,409 | 1,196 | 2,452 | 1,328 |
| W. SOUTH CEN.: | | | | | | | | |
| Ark., La. and Okla..... | 29 | 29 | 60.6 | 63.6 | 18,499 | 6,151 | 22,946 | 4,946 |
| Texas..... | 48 | 50 | 77.2 | 52.9 | 16,313 | 7,182 | 17,618 | 6,993 |
| MOUNTAIN: | | | | | | | | |
| Idaho, Wyo. and Mont..... | 17 | 17 | 76.8 | 79.6 | 685 | 883 | 901 | 905 |
| Ariz., Utah Nev. & N. Mexico | 18 | 18 | 72.0 | 77.6 | 3,370 | 1,134 | 4,267 | 1,332 |
| Colorado..... | 21 | 21 | 72.2 | 67.9 | 1,128 | 1,729 | 1,057 | 2,075 |
| PACIFIC: | | | | | | | | |
| Washington..... | 31 | 31 | 76.7 | 73.8 | 19,537 | 11,076 | 8,023 | 11,038 |
| Oregon..... | 8 | 8 | 67.1 | 69.7 | 13,678 | 12,490 | 11,314 | 15,987 |
| California..... | 108 | 107 | 71.0 | 73.9 | 22,939 | 5,867 | 31,143 | 7,114 |
| Total for United States... | 1,334 | 1,332 | 71.7 | 69.6 | 393,136 | 108,475 | 400,150 | 132,973 |

*Revised.

(1) Because of the importance of this territory, figures are shown separate from the State totals; this area includes all of the boroughs of New York and adjacent New Jersey territory.

SINCE the stock market debacle of last November the percentage of occupancy in merchandise warehouse space throughout the country has been getting steadily smaller month by month, according to statistics made public by the Bureau of the Census of the Department of Commerce.

The figures issued on May 19, final for Feb. 28 and provisional for March 31, show an occupancy percentage of 71.7 on the former date and a drop to 69.6 on the final day of March.

From June to November of last year the occupancy percentages advanced consistently until on Nov. 30 the mark of 77.1—the highest level attained since the Government began compiling these statistics at the beginning of 1928.

The effect of the financial set-back in Wall Street began to be felt in December. On the final day of the year the percentage reported was 75.9, representing a drop of 1.2 from the record level.

The recession has continued. The mark on Jan. 31 was 74.6, or 1.3 less than on the last day of 1929. The mark on Feb. 28 was 71.7, a decline 2.9 per cent from the Jan. 31 figure. The mark, provisional, on March 31 was 69.6, a recession of 2.1 per cent from the previous month's level.

Thus the drop was 7.5 per cent during the four months following November. The March 31 mark, 69.6, was, in fact, the lowest reported percentage during the past year. On the previous March 31 the percentage of 69.9. In no month during the intervening period had it dropped below that figure until this past March 31.

Comparisons show that occupancy averaged lower this past March than in the corresponding month in either of the two previous years:

| | | | |
|---------------|------|------|------|
| | 1928 | 1929 | 1930 |
| March 31..... | 70.8 | 69.9 | 69.6 |

The tonnage figures in the accompanying table issued on May 19 show that out of 533,123 tons which arrived at the 1332 reporting warehouses during March, 400,150 tons, or 75.1 per cent,

entered storage the balance being delivered on arrival. This compares with 78.4 per cent in February, when 393,136 tons went into storage out of 501,611 tons arriving at 1334 reporting plants.

Comparisons show that both the February and March tonnage percentages are below the levels in the corresponding months two years ago, and that the percentage in this past March is below that of March of last year:

| | 1928 | 1929 | 1930 |
|----------------|------|------|------|
| February | 83.6 | 71.8 | 78.4 |
| March | 76.8 | 76.1 | 75.1 |

In the foregoing occupancy and tonnage comparisons the March figures are subject to revision based on additional reports.

Occupancy

The occupancy decrease, for the entire country, on this past March 31 was three-tenths of 1 per cent under the figure recorded for the same date last year and 1.2 per cent below the level on that date two years ago.

The 0.3 per cent decline this March 31 under last year's corresponding date is not reflected in twenty-one of the States—Massachusetts, Vermont, New York, Illinois, Michigan, Iowa, Delaware and Maryland with District of Columbia grouped, the Virginias, the Carolinas, Idaho, Wyoming, Montana, Arizona, Utah, Nevada, New Mexico, Washington and Oregon. The largest gain was in the Virginias—almost 20 per cent.

In the other States, declines are shown. The broadest recession was 25.2 per cent, in Texas.

Gains—last March over March of 1928, and again this March over March of 1929—have been consistent in Massachusetts, Vermont, Illinois, North and South Carolina, Idaho, Wyoming, Montana, Arizona, Utah, Nevada, New Mexico and Washington. Recessions have been consistent in New Jersey, Pennsylvania, Wisconsin, Alabama, Mississippi and Colorado.

The following comparisons are available:

| | Occupancy—March 31 | | |
|-----------------------|--------------------|------|--------|
| | 1928 | 1929 | 1930 |
| Mass. & Vt. | 45.8* | 48.9 | 50.4** |
| Conn. & R. I. | 55.7 | 66.6 | 57.7 |
| N. Y. Met. Dist. | 79.3 | 64.7 | 69.7 |
| Brooklyn | 78.5 | 58.2 | 66.7 |
| Manhattan | 78.2 | 66.8 | 75.3 |
| Nearby N. J. | 81.6 | 75.0 | 69.9 |
| N. Y. State | 76.7 | 61.6 | 70.1 |
| N. J. State | 81.4 | 76.3 | 67.8 |
| Penn. | 72.1 | 72.0 | 63.0 |
| Ohio | 73.8 | 88.0 | 84.5 |
| Indiana | 75.6 | 80.8 | 78.5 |
| Illinois | 74.9 | 78.2 | 78.7 |
| Chicago | 76.7 | 78.7 | 80.4 |
| Michigan | 73.8 | 66.0 | 73.4 |
| Wisconsin | 86.2 | 85.2 | 79.6 |
| Minnesota | 75.3 | 79.0 | 71.9 |
| Mpls. & St. P. | 76.2 | 79.8 | 72.2 |
| Iowa | 78.0 | 68.8 | 73.8 |
| Missouri | 74.9 | 82.4 | 78.8 |
| St. Louis | 70.1 | 83.1 | 76.4 |
| N. & S. Dak. | 75.2 | 93.7 | 78.2 |
| Nebraska | 72.7 | 74.2 | 69.5 |
| Kansas | 78.9 | 83.0 | 82.1 |
| Del., Md., D. C. | 61.2 | 53.4 | 65.8 |
| Va. & W. Va. | 69.7 | 69.3 | 89.2 |
| N. & S. Car. | 63.5 | 65.1 | 71.2 |
| Ga. & Fla. | 71.4 | 77.8 | 66.0 |
| Ky. & Tenn. | 66.7 | 74.6 | 59.5 |
| Ala. & Miss. | 78.4 | 77.5 | 67.9 |

*Includes Maine and New Hampshire.

**Includes New Hampshire.

Occupancy—March 31

| | 1928 | 1929 | 1930 |
|---------------------------------|------|------|------|
| Ark., La. & Okla. | 57.6 | 79.8 | 63.6 |
| Texas | 52.8 | 78.1 | 52.9 |
| Ida., Wyo., Mont. | 71.6 | 74.9 | 79.6 |
| Ariz., Utah, Nev., N. Mex. | 76.6 | 77.0 | 77.6 |
| Colorado | 76.5 | 75.3 | 67.9 |
| Washington | 55.3 | 64.6 | 73.8 |
| Oregon | 70.0 | 66.7 | 69.7 |
| California | 72.4 | 76.1 | 73.9 |
| Average for entire U. S. | 70.8 | 69.9 | 69.6 |
| Warehouses reporting.. | 1328 | 1221 | 1332 |

Comparing the March 31 occupancy percentages, in the accompanying Department of Commerce table, with those of Feb. 28, it is disclosed that the average recession, 2.3 per cent, for the entire country, was not reflected in the District of Columbia and twenty-eight of the States—Connecticut, Rhode Island, New York, Ohio, Indiana, Wisconsin, Michigan, North and South Dakota, Kansas, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Arkansas, Louisiana, Oklahoma, Idaho, Wyoming, Montana, Arizona, Utah, Nevada, New Mexico, Oregon and California. The greatest gain was 5.6 per cent, in the Arizona-Utah-Nevada-New Mexico group.

Elsewhere recessions were recorded, the maximum being 24.3 per cent in Texas.

Tonnage

As already pointed out, the percentage of volume which entered storage in March, out of the total arriving tonnage, was smaller in the 1930 month than in March of 1929, the drop being 1 per cent for the entire country, this past March as compared with the previous one, and 1.7 per cent this past March as compared with March of 1928. By divisions the comparisons are as follows:

| | Percentage Entering Storage—March | | |
|-------------------------|-----------------------------------|------|------|
| | 1928 | 1929 | 1930 |
| New England..... | 76.7 | 79.8 | 70.8 |
| Middle Atlantic..... | 82.3 | 89.5 | 76.0 |
| East North Central..... | 80.7 | 84.7 | 84.8 |
| West North Central..... | 68.8 | 67.9 | 74.3 |
| South Atlantic..... | 76.8 | 49.5 | 80.3 |
| East South Central..... | 73.4 | 78.6 | 79.3 |
| West South Central..... | 73.6 | 74.4 | 77.3 |
| Mountain | 55.5 | 64.3 | 59.1 |
| Pacific | 69.4 | 65.9 | 59.7 |
| Entire country..... | 76.8 | 76.1 | 75.1 |
| Warehouses reporting.. | 1328 | 1223 | 1332 |

Comparing this past March's tonnage percentages with those recorded for February, it was found that a recession of 3.3 per cent is reported. Of the nine divisions, five showed gains, however. The most radical recession was 14.5 per cent in the Middle Atlantic section, while the largest gain was 8.3 per cent in the East South Central States. The comparison, by divisions, for the two months, follows:

| | Percentage Entering Storage—1930 | | |
|-------------------------|----------------------------------|-------|--------|
| | Feb. | March | Change |
| New England..... | 69.6 | 70.8 | +1.2 |
| Middle Atlantic..... | 90.5 | 76.0 | -14.5 |
| East North Central..... | 86.1 | 84.8 | -1.3 |
| West North Central..... | 73.8 | 74.3 | +0.5 |
| South Atlantic..... | 81.3 | 80.3 | -1.0 |
| East South Central..... | 71.0 | 79.3 | +8.3 |
| West South Central..... | 72.3 | 77.3 | +5.0 |
| Mountain | 58.0 | 59.1 | +1.1 |
| Pacific | 65.9 | 59.7 | -6.2 |
| Entire country..... | 78.4 | 75.1 | -3.3 |
| Warehouses reporting | 1334 | 1332 | |

Economic Value of Business Figures

VALUE of business statistics was emphasized by Secretary of Commerce Lamont in his address on "Economic Balance," at one of the general sessions of the recent meeting of the Chamber of Commerce of the United States. Current economic information "becomes progressively more and more important," he declared, adding:

"Upon taking office as Secretary of Commerce, Mr. Hoover stated that the assembling of data on various basic materials in regard to production, productive capacity, current consumption and stocks on hand was one of the more urgent projects upon which he expected to call for voluntary cooperation from business men. Your participation and the Government's activity since 1921 have developed a flow of statistical information which has no parallel in any other part of the world.

"When the *Survey of Current Business* was started by the Department of Commerce, in 1921, there were available only a few hundred series of statistical data which could be placed on a monthly basis. Today the *Survey of Current Business* published upward of 2000 such series of statistics and, in many instances, the figures published there are only summaries of the much greater detail that is available for those particular industries.

"There can be no question but that these statistical indicators have played an important part in promoting such prosperity as this country has witnessed during recent years. Even during the recent difficulties through which business has passed there was no significant increase in the stocks of manufactured commodities. In October of last year the index of the stocks of 28 such commodities showed an increase of less than 14 per cent over the average for 1923-25. The fact that there was no such pyramiding of commodity stocks as has been witnessed in preceding periods has been due very largely to the better statistics which the business man has had at his command.

"Great as has been the progress in the development of current statistical measures, there is still much that needs to be done. It seems to me that the time is now at hand when business men should get behind a policy for the further development of needed statistics on production, stocks, employment, the construction industry and many other activities which would make it possible to keep business informed currently as to the basic facts upon which policies must be predicated."

Walter P. Schaus, of the United Fire Proof Warehouse Co., Milwaukee, has been elected a director of Milwaukee's Upper East Side Advancement Association. Mr. Schaus is secretary of the Wisconsin Warehousemen's Association.

Industry States Position on Accessorial Costs

Attorney of American Warehousemen's Association Argues in Favor of McDuffie Bill at Congressional Hearing

By ROBERT C. MCCLELLAN

DISTRIBUTION AND WAREHOUSING'S
Washington Bureau,
1163 National Press Building.

A VERSATILE array of witnesses made up of a warehouseman, a Congressman, an ex-Congressman, a State official, port terminal operators and a retired major-general of army engineers, appeared on April 22 and 23 before the House Committee on Interstate and Foreign Commerce to urge the passage of legislation that would either force the railroads out of the warehousing business or compel them to compete on a fair basis with public and private warehousing enterprises.

The committee was in session on those days to hear testimony on the bill of Representative John McDuffie of Alabama, which would force the railroads to abandon the practice of granting free, or nominal-costing, warehousing and storage service at the seaports to preferred big line-haul shippers as concessions to get their business.

Specifically, the bill would make it mandatory that the Interstate Commerce Commission set a separate valuation on the warehouses and other port terminal facilities

on which the warehousing and storage fees shall be based.

While none spoke in opposition to the McDuffie plan at the hearings on April 22 and 23, Representative James S. Parker of New York, chairman of the committee, announced at the conclusion of the sessions that in all probability further hearings would be held at some date in the future. If and when they are held, whatever opposition to the plan exists is expected to present itself.

Of great aid to a favorable consideration of the McDuffie plan was the argument advanced by practically every witness that the present system of granting less-than-cost service at the country's port terminals by the railroads was a decided hindrance to the free movement of commerce, because, as the situation stood today, port terminal development had reached an impasse.

The most important witness from the warehouseman's standpoint was Charles E. Cotterill, counsel for the American Warehouseman's Association, who warned the committee that the practice complained of was simply a system of "legalized rebating"—a growing evil which he declared should be checked.

AT the outset of his testimony, Mr. Cotterill said he was reasonably certain that the railroads were not anxious to continue the present practice of granting warehousing service at less than cost, but were forced to do so by the intensity of competition in the railroad business. The attorney reminded the committee that when rebating was outlawed not only the general public but the railroads benefited for the reason that the banishment of rebates worked for a more sound rate structure; and now, he said, "in their competitive zeal our American railroads have again worked themselves into a serious situation."

Mr. Cotterill told the committee that the warehousemen fully recognized the necessity for a brief storage interlude, or "free time," at the docks as a logical part of common carrier service. But, he declared, when the railroads held

goods in their warehouses at the ports for weeks or even months for a nominal charge, or free, they were wandering beyond the pale of the common carrier business.

The warehouse attorney traced the history of the practice of granting greater than line haul service at line-haul rates. He said that in the zeal for business the railroads granted these concessions at a cost to themselves that finally reflected itself in rates paid by shippers other than those to whom the concessions were granted.

In his appeal to the committee to remedy the situation before it became more serious, Mr. Cotterill told the group that already the "evil" was spreading into the interior. In explaining, he said that the carriers which did not have port terminals were constructing warehouses in the interior and granting less-than-cost service to shippers in the same man-

ner the other roads granted them at the sea ports. This system, the committee was informed, had not developed to a greater extent but would grow strong, Mr. Cotterill warned, unless Congress outlawed the practice completely by legislation.

The statement that the practice was growing into the interior of the country attracted the attention of Representative Edward E. Denison, of Illinois, who observed that the McDuffie bill treated of the situation only at the sea ports. Mr. Cotterill replied that he thought the language of the McDuffie bill should be changed to take care of the situation in the interior, whereupon Chairman Parker allowed him five days in which to file a brief setting out his idea of how the bill should be changed.

In the latter connection it is noteworthy that not one of the witnesses, including Congressman McDuffie himself,

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said he was "wedded to the language" of the bill, the idea being only to bring the situation before the committee.

Mr. Cotterill told of the attempts to have the Interstate Commerce Commission force the railroads to file a separate valuation for their warehousing and allied facilities and publish a separate schedule of rates based on that valuation.

"There seems," he said, "to be a lack of understanding on the part of the Interstate Commerce Commission to realize the seriousness of this system of indirect rebates, and the best place to attack the evil is right here."

In response to an inquiry by a member of the committee, the attorney declared that the operation of passenger and freight terminals was part of the duty of the common carrier, but he pointed out that the storage of freight was not a part of a line-haul movement.

Probably the most important points developed by Mr. Cotterill during his time on the stand were the facts that not only the warehousemen but commerce in general was suffering as a result of the practice and that other shippers were paying for the less-than-cost warehouse service being offered to preferred shippers.

He pointed out that despite the fact that the railroads operated only a small percentage of the country's port terminal facilities they had by the granting of these concessions practically ruined the terminal business. Private terminal operators, he said, were at the limit of their resources in the fight, and the public was so appalled by the losses they were suffering that they were willing to get out of the terminal business. The result, he said, was that port terminal development was at a standstill at a time when the free movement of the commerce of the country demanded that new terminals be built and the old ones improved.

Mr. Cotterill was followed on the stand by Horace Turner, president of the Turner Terminals, Mobile, Ala. This witness said that the railroads were at present granting port terminal concessions in the South Atlantic ports at one-seventh of the actual cost of the service, while in the North Atlantic ports the ration was twenty-eight to one. In the

South Atlantic, he pointed out, there was a charge, however nominal, for warehousing service, while in the North there was none whatever.

Mr. Turner, who is a ship owner as well, told the committee the practice complained of was similar to the situation that would be created if the railroads operated hotels in Washington and said to prospective passengers, "If you ride on our railroads we will charge you a nominal fee to stay in our hotel in Washington" and said to local commuters, "If you care to stay at our hotel it will cost you five dollars."

It was pointed out by this witness that the steamship owners "have played the railroads and the ports against each other" to the extent that, at present, contrary to a world-wide practice, they paid no fees in most American ports. Out of this same game on the part of the steamship owners had grown the practice of granting less-than-cost service to big line-haul shippers, he said.

At the second day's hearings, J. Spencer Smith, former vice-president of the New York Port Authority and at present a member of the New Jersey Port Commission, was the first witness. He told the committee that the State of New Jersey was in sympathy with the principles of the McDuffie bill and reminded the group that New Jersey was at present before the Interstate Commerce Commission in an effort to prevent the railroads "from giving away \$25,000,000 a year for free service in the port of New York."

During Mr. Smith's stay on the stand the first note of discord was thrown into the hearings. It came in the inference on the part of the witness that New York was opposed to the principles of the McDuffie measure for the reason that it was against the basic idea of placing a separate valuation on port facilities in whatever manner.

John Philip Hill, a former Representative from Maryland, followed Mr. Smith on the stand, as counsel for the port of Baltimore, and he elaborated on the note of discord suggested by the previous witness. Mr. Hill told the committee outright that the port of New York was not in favor of a separation of line-haul and terminal charges for the reason that it would hurt it in its fight with the

other prominent Atlantic ports. His argument was that all rate differentials to other competitive ports were based on the New York rates, and if a deduction was made for all the lighterage, warehousing, and storage service in New York harbor, the effect would work a hardship on the business of the port of New York.

Mr. Turner was recalled to the stand and reiterated that the passage of the bill would have no effect on the competition between the ports. He said that port charges had little effect on the movement of shipments, inferring that there were more important details to be reckoned with. Later, however, he admitted that a separation of the line-haul and terminal charges would benefit Baltimore harbor in its fight with New York for business.

Major General William L. Seibert retired, head of the Alabama Port Commission, followed Mr. Turner on the stand and offered little or no new testimony. For his part, he said, he was willing to have the Interstate Commerce Commission or some other regulatory body govern the affairs of every port. This statement suggested a question with which the committee was wrestling when Chairman Parker called an adjournment. This question is:

"Why should the Congress force the railroads to charge a certain rate, when the Congress has no control over the competitors of the railroads in the port terminal business?"

Representative George Huddleston, of Alabama, suggested that the Congress had power to regulate the affairs of any agency in so far as that agency was a handler of interstate commerce. Several of the other members advanced the opinion that Congress would find itself in a serious position in any attempt to regulate the operation of a municipally owned port terminal.

One thing is certain, however, and that is that whatever bill is reported out by the committee will be more comprehensive and more to the advantage of the warehousing industry than the bill Congressman McDuffie introduced, although he meant well. This was obvious from the attitude of the committee members.

I. C. C. Legislative Committee Opposes Enactment of McDuffie Bill

Eastman Letter

OPPPOSITION by the legislative committee of the Interstate Commerce Commission to the McDuffie bill was expressed in a letter, dated March 12 and made public late in April, addressed to Representative Parker, chairman of the House Committee on Interstate and Foreign Commerce.

The chairman of the I. C. C. legislative committee, Joseph B. Eastman, declared in his letter to Representative Parker that the subject was too complex to be covered by specific legislation and expressed opinion that the situation could best be left to the Commission's administrative discretion.

Mr. Eastman's letter reads:

"My Dear Chairman: The Legislative Committee of the Commission has considered H. R. 10418, upon which you have requested a report, and I am authorized to make the following statement of its views:

"H. R. 10418 proposes to amend the Interstate Commerce act 'to require separate valuation of terminal facilities and a reasonable return thereon.' It consists of two sections. The first section amends the second paragraph of subsection (b) of section 19 (a) by adding at the end thereof the following new sentence:

"The Commission, in determining the value of the property of any railroad,

or in cases where it has already determined such value, as required by this section, shall segregate in one unit at each port the value of all wharves, docks, warehouses, and other terminal facilities owned or operated by such common carrier subject to the Act and used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade."

"Section 2 provides that the schedules required to be printed and kept open to public inspection, by section 6 (1) shall state separately the charges for the use of wharves, docks, warehouses, and other terminal facilities owned or operated by common carriers subject to the pro-

visions of such Act, as amended, and used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade; and such rates, fares, and charges shall be so fixed as to cover the cost of operation and maintenance and yield a reasonable return upon the value of such wharves, docks, warehouses, and other terminal facilities.

"We shall consider the bill in reverse order, taking up section 2 first. Apparently the intent is to require the carriers to maintain and publish separate charges for the use of the terminal facilities in question. But if this is the intent, it is doubtful whether it is accomplished by the language used. Section 6 now requires the carriers to 'state separately all terminal charges, storage charges, icing charges, and all other charges which the Commission may require.' In commenting upon this provision in perishable freight investigation, 56 I. C. C. 449, 463, the Commission said:

"Both from this history and from the subsequent practice, we think it evident that it was not the intent, when these provisions of law were enacted, to prohibit a carrier, if it wished to do so, from regarding the haulage of the freight and any incidental protection against heat or cold as one combined transportation service for which a single charge might lawfully be made, or from treating certain elements of the protection in this way and making a separate charge for others which could more readily be segregated from the haulage service. Manifestly, the intent was merely to require, where a separate charge was in fact levied, that it be published and filed, so that it might be uniformly available and uniformly applied without discrimination."

"In other words, while all charges must be separately stated, the statute does not make it unlawful to secure compensation for the protective service by regarding it as an integral part of the service of transportation.

"It will be noted that a distinction was made between a 'charge' for a special service and 'compensation' for such service. It was held that the provision does not require the maintenance of separate charges or make it unlawful to secure compensation through the line-haul rate, but does require any charges that may be maintained to be separately stated in the schedules and adhered to. If this was a valid distinction, it follows that the proposed provision in H. R. 10418 does not require the establishment and maintenance of separate charges, but only that when maintained they shall be published and separately stated in the schedules.

Commission Divided

"Whether or not carriers should be required to maintain separate charges for the use of such terminal facilities is a question of policy upon which the Commission is divided. A full discussion of the subject is contained in wharfage

charges at Atlantic and Gulf ports, 157 I. C. C. 663, decided Sept. 30, 1929, a copy of which is submitted herewith. It will be noted that all of the Commissioners were of the view that the Commission now has the power to require the maintenance and separate publication of charges for the terminal services there in question, but that they disagreed as to whether this power should be exercised.

"The majority found that the 'record does not warrant the issue of an order requiring the separate publication of the constituent elements of rates to ship side.' Five Commissioners were of contrary views and three separate expressions of dissent were filed. It is deemed unnecessary to summarize here the arguments which were advanced pro and con, for they will all be found in the copy of the decision herewith submitted. Certain points, however, should be mentioned in connection with the provisions of H. R. 10418:

"1. In the case cited the terms 'accessorial' or 'terminal' charges were defined to include 'all charges for services of whatever nature necessary to transfer export, import, coastwise, and inter-coastal shipments between cars and ship side.' In H. R. 10418, on the other hand, the charges in question are defined to be 'for the use of wharves, docks, warehouses, and other terminal facilities . . . used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade.'

"Query arises as to whether this latter language is so broad that it would cover, not only terminal facilities used between the end of the rail movement and ship side, but also terminal facilities at the port which are associated with the rail movement. It seems obvious that the latter ought not to be included, since such facilities are generally used in common, not only for the movement of traffic which reaches or leaves the port by water, but also for the movement of strictly local traffic.

"And even if the language were restricted so that it would certainly apply only to facilities used between the end of the rail haul and ship side, it will be noted from the discussion in the decision submitted herewith that distinctions may be drawn between such facilities. It may be and has been urged that there are stronger reasons for publishing separate charges for such services as dockage, storage, wharfage and handling than for such services as lighterage and floatage, which are regarded by many as merely a substitute for rail switching service.

"2. It will be noted from the above that in H. R. 10418 water lines engaged in 'inland trade,' as well as in export, import and coastwise service, are included. Thus, movements by way of the water lines on the Great Lakes and by way of the Government barge line on the Mississippi and Warrior rivers would be covered. In the case of such water lines, and the same is true of many lines in coastwise service, joint rates are published with connecting rail lines. Query

therefore arises as to whether the language of H. R. 10418 is so broad that it would require separation from such joint rates of any compensation for the use of terminal facilities at the port of interchange, and provision for such compensation through the maintenance and publication of separate charges. We doubt whether such a change is desired.

"3. No differentiation is made by H. R. 10418 between passenger and freight service. Apparently, therefore, it would require separate charges for the use of the terminal facilities in question in the case of passengers as well as freight. It is probable that this would give rise to complications which would be difficult to work out.

"4. H. R. 10418 requires the separate charges to be 'so fixed as to cover the cost of operation and maintenance and yield a reasonable return upon the value of such wharves, docks, warehouses, and other terminal facilities.' It will be noted from the discussion in the decision herewith submitted that not even the dissenting Commissioners were of the opinion that this standard should necessarily be applied in fixing the separate charges, for reasons which were stated in one of the dissenting opinions at the top of page 696.

Valuing Properties

"Furthermore, this proposed provision covers the charges in the aggregate, whereas they would relate in certain instances to quite distinct services. For example, there is little or no connection between 'dockage' and 'storage,' and if the standard provided for in the bill is to be applied in fixing the charges, it should plainly be applied separately and not in the aggregate.

"Comment upon this latter point brings us to a consideration, also, of section 1. This requires the Commission in valuing the carrier properties under section 19 A to 'segregate in one unit at each port the value of all wharves, docks, warehouses, and other terminal facilities owned or operated by such common carrier . . . and used in connection with the movement of traffic by way of a water line in export, import, coastwise, or inland trade.'

"Query arises, as in the case of section 2, as to what terminal facilities are to be included, whether only those used between the end of the rails and ship side or also certain rail terminal facilities. If only the former are to be included, as was probably intended, the task of segregation will involve a more or less arbitrary division of many properties. This was found necessary in the cost studies which were made by the carriers in connection with the case herewith submitted.

"Parts of dock and wharf properties, for example, are used in connection with the movement of the railroad cars and other parts are used in connection with the boats. The division of this kind which was made in that case was, naturally, the subject of considerable controversy.

"Moreover, even if the aggregate value

(Concluded on page 62)

Shipper Warehousing in Virginia Must Qualify to do Business

State Commissioner Issues Syllabus for Information of Foreign Corporations

A FOREIGN corporation which warehouses goods in Virginia and then makes a sale thereof is doing business in Virginia, the State corporation commission has just held through an opinion written by Chairman Fletcher and made public on May 2 at Richmond.

Such a corporation, the opinion states, is required to qualify in Virginia and must file a copy of its charter, must appoint an agent on whom process may be served, and must secure a certificate of authority from the State corporation commission.

Carrying on business in the manner outlined is not interstate commerce, according to Chairman

Fletcher, and hence the provision of the Federal Constitution which permits such commerce to be carried on without interference by the State is not applicable.

Whether or not the property is in the State at the time the sale is made is the test as to whether the transaction is interstate or intrastate, the opinion points out.

The rule would be the same whether the goods were stored in a private or a public warehouse, says the opinion.

The syllabus of Chairman Fletcher's opinion follows in full text:

"1. The question before the commission is whether or not foreign corporations shipping goods from another State into Virginia, not in pursuance of sales thereof made or of orders received therefor prior to shipment, and storing the same in a warehouse in Virginia to await future sales thereof, and making sales of the goods so stored, are required to comply with section 3847 of the Code of Virginia.

"2. Classification of the transactions in connection with such storage and sale by foreign corporations which have been presented to the commission.

"3. No permit is necessary to enable a foreign corporation to do business constituting interstate commerce outside of the State of its creation, and a foreign corporation engaged exclusively in interstate commerce is not amenable to State statutes imposing conditions upon the doing of business within a State by foreign corporations in so far as such interstate transactions are concerned.

"4. The general rule is that when a foreign corporation transacts some substantial part of its ordinary business in a State continuous in character as distinguished from merely casual or occasional transactions, it is doing business within the State within the meaning of statutes imposing conditions or restrictions upon the right of a foreign corporation to do business within the State.

"5. The word 'commerce' as used in

the commerce clause of the Federal Constitution has never been given any fixed, definite or circumscribed meaning by the Supreme Court of the United States. The citizenship or the location of the parties to the transaction is not a controlling factor in determining whether a transaction is intrastate or interstate commerce.

"6. The test which seems to determine whether the transaction is to be regarded as belonging to interstate or intrastate commerce is whether the property, which is the subject matter of the sale, is within the jurisdiction of the State at the time the sale is made.

"7. Where goods are in the State at the time of the sale thereof, the sale is not a transaction of interstate commerce, regardless of what prior transportation of the goods may have been made.

"8. Goods shipped from a State into another State, not in pursuance of any previous sale or contract for sale, and stored in a warehouse in the latter State to await the future sale thereof, are not protected by the commerce clause of the Federal Constitution after they are so stored in the warehouse. The interstate feature of the transaction ends when the interstate shipment is completed and the corporation so shipping them into the State and storing them in such warehouse, to await future sales thereof and making such sales, is engaged in intra-

state business and not in interstate business.

"9. No distinction can be drawn between the storage by a foreign corporation of goods stored in its own warehouse to await future sales and the storage of goods by it in a public warehouse to await future sales.

"10. No distinction can be drawn between a case in which goods are stored by a foreign corporation in a warehouse in Virginia to await future sales to persons in Virginia and one in which they are stored in Virginia to await sales to be made in a State other than Virginia.

"11. A foreign corporation storing goods in a warehouse in the State, not in pursuance of previous sales thereof or orders therefor, but to await future sales thereof, is doing business in the State which is not protected by the commerce clause of the Federal Constitution, even though the orders received therefor are subject to the approval of the corporation at its home office.

"12. A foreign corporation which without any previous orders therefor or sales thereof ships its goods into Virginia and stores them there in its own warehouse or a public warehouse in Virginia, and thereafter makes sales therefrom to purchasers in Virginia or outside of Virginia, is doing business in Virginia, and the fact that such sales or orders are subject to the approval of the

corporation at an office outside of Virginia does not bring the transaction within the protection of the commerce clause of the Federal Constitution.

"13. The effect of the sale and delivery of such goods so stored in the original packages by the foreign corporation and a consideration of the original package doctrine.

"14. The words 'imports and exports' as used in section 10, Article I, paragraph 2, of the Federal Constitution, refer to and include only merchandise brought in from or transported to foreign countries.

"15. A distinction is drawn between the immunity from State taxation of imports in original packages and that of articles in original packages in interstate commerce. The distinction is that the immunity attaches to the import itself before sale, while the immunity in case of an article, because of its relation to interstate commerce, depends on whether the State tax regulates or burdens interstate commerce.

"16. The imposition of a license or excise tax upon the sale of goods ordered by a purchaser before importation from another State into the State is void, but such a tax if it covers goods, whether in original packages or not, which are sold after they have reached their destination in the State, is valid.

"17. The term 'original package' is not defined by any statute but is simply a convenient form of expression adopted to indicate that a license tax could not be exacted from an importer from a foreign country who disposes of such goods in the form in which they were imported.

"18. The 'original package doctrine' is not an ultimate principle, but is an illustration of a principle. It assumes

transmission in packages and then supplies a test of the transaction. The essential unity of the transaction remains the final test. When that unity is broken the 'original package doctrine' ceases to have any application.

"19. Where goods are shipped by a foreign corporation into a State and stored in a warehouse in such State and there held to await future sales thereof, even though such sales and deliveries made in consummation of the sales are in the original packages in which the goods are brought into the State, the unity of the transaction ends with such storage and thereafter the 'original package doctrine' has no further application.

Goods in Storage

"20. Goods belonging to a foreign corporation which are brought into the State from another State and stored in a warehouse in the State in the original packages in which they were brought into the State and held in such warehouse to await the future sale thereof, are no longer articles in interstate commerce, and the subsequent sale thereof by the foreign corporation and the delivery thereof to a purchaser in Virginia or the delivery to a carrier to be shipped to a purchaser at a point in or outside of Virginia, does not constitute interstate commerce, and the foreign corporation should comply with the conditions and restrictions imposed by section 3847 of the Code of Virginia.

"21. A foreign corporation which without any previous orders therefor or sales thereof ships its goods into Virginia and stores them in a warehouse to

await future sale and then makes sales and deliveries thereof from such warehouse, is doing business in Virginia which is not protected by the commerce clause of the Federal Constitution, even though the sales and deliveries are made in original packages and orders taken therefor by traveling salesmen or local representatives are subject to approval at an office of the corporation outside of the State.

"22. Where goods outside of Virginia are shipped by a foreign corporation to a purchaser in Virginia in pursuance of a previous order for such goods, and upon the arrival of the goods in Virginia, such purchaser refuses to accept and pay for such goods, and the foreign corporation stores such goods in a public warehouse in the State to await the future sale thereof by it, the corporation is not doing business in Virginia as it is not a transaction in Virginia of a part of its ordinary business continuous in character, but is merely an isolated or occasional transaction, and such storage and sale are mere incidents of the contract of sale and part of the interstate commerce transaction.

"23. Where goods are imported by a foreign corporation from the Hawaiian Islands to Virginia, and if unsold between the time of shipment and the arrival in Virginia, are stored in a warehouse in Virginia to await future sales, the foreign corporation is doing business in Virginia which is not protected by the commerce clause of the Federal Constitution, and should comply with section 3847 of the Code of Virginia, as goods shipped from Hawaii to Virginia are not imports and consequently are not protected by clause 2 of section 10 of Article I of the Federal Constitution."

Selling Moth Protection Attracts Business

By Fred E. Kunkel

THE natural inherent fear which the public entertains concerning the ravages of moths can be fittingly capitalized by storage merchandisers everywhere either in advertising in the newspapers, or by direct mail. Newspaper advertising is particularly effective when accompanied by a reproduction of an article in the news columns on the ravages of moths under the caption "Insurance Against Moth Damage to Clothing and Furnishings," telling Mr. and Mrs. Public that they need no longer fuss with moth balls, tar compounds, or other smelly materials, nor need they ever again spend hours of effort trying to prevent moth damage.

Direct orders for this business can be worked up in newspaper advertising by incorporating a coupon which the prospective customer is to clip, fill in and mail. In direct mail advertising a return Government postcard can be used to stimulate sales, with postage paid on delivery.



MOTH INSURANCE for Rugs—Carpets— Tapestries, etc.

It is simple—and inexpensive to have guaranteed protection against moth-damage. Your fine floor coverings, household woollens, up-

holstered furniture, etc., can be 100% moth-safe. Reliable men come into your home with the Konate Process, or articles will be called for and delivered. You are not annoyed . . . you have no worry over moths . . . and one treatment is guaranteed protection against moth-damage for three years. Konate leaves no after-effects, but at the same time it positively prevents moth attack.

See this week's Saturday Evening Post . . . pages 158-159 . . . then phone us for further details.
Metropolitan 1843

United States Storage Co.

Since 1901 at
418-420 10th St. N.W.
STORAGE MOVING Opposite Gas Office PACKING

The United States Storage Co., Inc., Washington, D. C., has used some very attractive newspaper advertising to feature "moth insurance" for rugs, carpets,

tapestries, etc. These "ads," illustrated, naturally attracted the attention of newspaper readers. "Stop Moth Damage" is the title of one ad. "For little cost you can have your upholstery, rugs, carpets, tapestries, woollens, and other items made proof against moth attack. It sounds too good to be true, but it is true. You get a 3-year guarantee in writing, insured by Lloyds Casualty Company, as your insurance against moth-damage and against worry. It is all made possible by Konate, the scientific material that is sprayed into fabric and does its work without a trace of disagreeable after-effect. Phone for an estimate on doing the work in your home or at the warehouse."

Another storage company has used an effective sales letter in this connection which reads as follows:

"It doesn't do much good to swat an occasional fluttering moth—and let it go at that. The real damage is being done

(Concluded on page 48)

Success Stories

No. 93

Let's Take the Family Album Out of Storage!

Gus K. Weatherred

By Elizabeth Forman

In oval, Gus K. Weatherred, associated operating executive of the Dallas Transfer & Terminal Warehouse Co., Dallas, Tex.

MEET Gus K. Weatherred of Dallas and points west. He was born and reared in Texas. His father was a cattle man, and as a boy young Gus rode the range with the best of them, spending his summers in the saddle and attending school in the winter time. The elder Weatherred had ranching interests in the western part of the State.

In 1913 Weatherred *per* turned over to his son some notes for collection. These were the young man's start in life—they were against a livery stable and its equipment in Waco. Livery stables, about that time, were fast going into oblivion. Young Weatherred went to Waco, but it did not take him long to see that the case of the stable he was interested in was just about hopeless.

Casting about for something to do, he decided to turn the defunct business into a transfer and storage concern. The livery stable by that time had gone so far into red ink that he had no equity in it at all; nevertheless he organized the new enterprise, under the name of the Weatherred Transfer & Storage Co. It still is in existence and operating under that name.

The new company began storing furniture only on the second floor of the stable. Then a big department store moved from Waco to Dallas, leaving a large empty building. This he was asked to take over. He took it. Later on he occupied a building, on railroad tracks, and this he used until it burned down in 1917.

After the fire Mr. Weatherred took over a sizable piece of property which had been used as a woolen mill, and this he converted into a warehouse, which he built up into a good big business in general storage. His next move was to erect a fireproof building to complement the former mill.

The home of the Dallas Transfer & Terminal Warehouse Co., of which Mr. Weatherred is president, is in one of the units of this Santa Fe structure



In 1925 Mr. Weatherred sold the operating end of his business, retaining the property. Then he became the partner of E. D. Balcom in the Dallas Transfer & Terminal Warehouse Co., and in Dallas he has remained ever since.

As the Dallas Transfer Co. the business was established in 1875. It receives, forwards and distributes all classes of merchandise and household goods. It is housed in a picturesque building, unit number 2 of the Santa Fe group in Dallas. Atop the unit the University Club has built a handsome clubhouse; surrounded by grass plots, shrubbery and flowers. The entire tenth floor of the building, an area of some 30,000 square feet, is given over to a furniture mart owned and operated by the Balcolm-Weatherred interests. Here manufacturers have office and display space for a large number of unique exhibits of home furnishings, draperies, office supplies and building materials.

In addition to the complete merchandise division, there

(Concluded on page 48)

EDITORIAL COMMENT

Free Storage

FOR executives of the public warehouse industry, interested in eliminating Federal competition, there are some significant assertions in the annual report, covering operations for 1929, of the Government's Inland Waterways Corporation.

For one thing, Major General T. Q. Ashburn, commenting on the American Warehousemen's Association's opposition to free storage and handling of sugar and other commodities at the corporation's terminals, states that Congress and the public have been propagandized through the efforts of "a single individual."

General Ashburn is, of course, alluding to R. W. Dietrich of New Orleans, chairman of the A. W. A. committee considering traffic and transportation at river and lake ports, and the phraseology is a smoke screen. General Ashburn knows that Mr. Dietrich is not acting for Mr. Dietrich alone or for the New Orleans warehouses alone, but the verbiage of the report conveys the impression that General Ashburn would have the public believe that the opposition to the corporation's policy of gratuitous storage is a one-man opposition.

Mr. Dietrich's activity is not that of "a single individual." His protests are made as spokesman for an industry which has invested many millions of dollars in a business which is entitled to a fair return on the investment without being handicapped by Government competition. *Someone* within warehousing must do warehousing's talking, and the A. W. A. selected Mr. Dietrich for the job because he knows from bitter experience just how seriously this particular form of Government competition is affecting warehousing not alone at the river ports but at interior and coastal cities. He has not minced words in making public the facts about the Federal Barge Line's practices—facts which are not repeated in

the waterways corporation's report for 1929. But it is not R. W. Dietrich who is telling facts; it is the warehouse industry talking through its authorized spokesman.

"The Federal Barge Line has adopted and entered upon certain practices which amount to indirect rebating, namely, free storage at river ports for long periods of sugar and other important commodities," said a resolution adopted by the American Warehousemen's Association at its Biloxi convention, and "such free storage is unwarranted and such indirect rebating unlawful." That was not "a single individual" speaking; it was the industry's collective voice raised in protest to President Hoover, Congress, and others at Washington. And General Ashburn cannot accurately call it propaganda when in fact it was a symbol of warehousing's demand for the right to do business unhampered by a Government agency which (1) gives away space and service for which it should charge, and (2) experiences a net loss in operation.

General Ashburn in his report charges that the A. W. A. is endeavoring "to create the impression that the practices of this corporation re 'storage in transit' are harmful to the warehouseman." He makes the charge—but he does not deny its truth. "This is a matter," he says, "which is properly justifiable by the Interstate Commerce Commission."

In effect, the chairman of the waterways corporation challenges warehousing to go to the Interstate Commerce Commission for relief. Presumably the practice of according free storage will be continued unless and until the I. C. C. forbids.

General Ashburn in his report cites the cooperation of river cities in the development of inland waterways transportation. He gives figures showing that Minneapolis, St. Paul, Dubuque, Burlington, St. Louis, Helena,

Baton Rouge, Vicksburg, New Orleans, Mobile and Birmingham have spent some \$21,000,000 in building terminals, with another \$1,400,000 on the program for Rock Island, Kansas City and Peoria.

Warehousing is not opposing this development. It is inevitable business evolution, and any effort at obstruction would be fruitless. But when the Government-owned barge line attempts to attract trade to its boats with free storage and handling as a lure—at cities where established warehouses are compelled to charge for storage and handling in order to earn legitimate profits—it creates a situation which calls for warehousing's acceptance of General Ashburn's challenge.

Logically the next step forward in the fight is recourse by the industry to the Interstate Commerce Commission.

Motor Freight

IN a personal letter to the editor, an observant friend—(a Western warehouse executive who within the past six months has abandoned skepticism and now confesses his conviction that motor freight line competition is a threat to established warehousing unless controlled by established warehousing)—uses this sentence:

"The auto freight depot is a step forward toward progress but it is not properly operated or organized now. Some day someone will get back of the auto freight business with some real money and build a warehouse here, and I want to see the warehousemen do it themselves and get in on the ground floor."

This is further support of the contention, advanced on these pages during the past three-quarters of a year, that warehousemen will do wisely to give heed to developments in the trucking industry.

From all parts of the country come reports that truckmen are erecting "depots." The necessi-

ties of trucking and the competition for economical loads are compelling them to provide central places for handling and storing.

"I've got to go into the warehouse business," to quote one widely experienced truckman in a chat with H. A. Haring, *Distribution and Warehousing's* contributing editor. "It's the only way I can get the hauling for distant manufacturers. They want to ship in carloads but they do not want to pay two bills—one for storing and another for delivering."

A man who, familiar with warehousing, recently returned from a seven months' motor trip, which covered 14,000 miles from coast to coast and from the Great Lakes to the Gulf, states:

"Roadside warehouses are getting so common that they cease to be curiosities. Any town where two or three main highways cross is apt to have a motor truck depot as a good hotel, and the truck depot is right on the street where it advertises itself."

A warehouse, generally, selects a location close to the business center but not on the main street, whereas the new "roadside warehouses" are prominent. One wonders whether this location will not help their popularity, because a distributor or shipper will see the building several times a day and will be compelled to think of using it. With the average public warehouse, on the other hand, its inconspicuous location makes the patron hunt it out in order to do business. Be that, however, as it may, the fact is undeniable that trucking depots are springing up in localities everywhere.

Along one road in southern California, running from Los Angeles to the Imperial Valley, three of them have been built during the past winter. On a stretch of a main highway in Texas, approximately 200 miles, seven were noted. In Louisiana, five were observed in one day's touring. On a trip from Cincinnati to Mansfield, going by one route and returning by another, six were counted one way and four the other.

A certain notable character of the structures is that they have made provisions for expansion. One side will show projecting rods of reinforcing steel, or the frame for a wide doorway,

or the unfinished sills—each an indication that the way has been left open for adding a unit for storage of goods.

In fact, the most lasting impression of these "roadside warehouses" is that their owners are only beginning! They plan to grow!

Talks with the owners reveal that their greatest interest centers about doing business economically. The "roadside warehouse" does all the bookkeeping for the truckmen who operate through it; or, as it is often expressed, "The station does the office work and handles the cash." One operator explains:

"A single truck line running through a town can't afford a man at the station. And a girl can't do the work, because whoever's on the job must be able to rustle a barrel or a crate a good many times a day. By dividing up the expense, we can pay a man to keep the accounts, handle the money and put it in the bank, and answer the telephone.

"And," as though he had overlooked something, "it's the telephone that ties the business. A good man at the telephone—one, you know, who knows what to promise and then sees to it that the truck makes good—will tie up more business than a street solicitor."

Since its issue of last September *Distribution and Warehousing* has been urging that this new competition may be a threat to warehouses which do not meet the new condition. It may be, as the western executive says, that the motor freight depot "is a step forward toward progress," but at the present moment these "roadside warehouses" look menacing to the future of those warehousemen who have not taken steps to forestall the developments within their own communities.

However weak the first truck depot in a city may appear to be, it hides the seed of troublesome possibilities.

A Business Instrument

THE public storage industry this past month had its largest representation at any annual meeting of the Chamber of Commerce of the United States. "It was a privilege to attend," comments H. C. Herschman, general president of the American Warehousemen's Association, and "the

far-reaching effect" of the discussions "will be beneficial and lasting."

It required nearly ten years to awaken warehousing to a realization of potential benefits to be derived from a national advertising campaign. A long period of propaganda within the industry preceded the beginning of the Government's compilation of monthly occupancy and tonnage figures. The warehouse receipt was standardized in the face of predictions that it couldn't be done.

These three developments are major ones in warehousing's evolution from a place of obscurity to a position of recognition, nationally, in business.

The Chamber of Commerce of the United States is the business man's trade association. It shapes policies, defines ethics, opposes Federal interference, to the end that American business shall regulate itself. Its voice, speaking collectively for all lines of commerce, commands the attention of the Government and the Congress.

Yet warehousing's "largest representation" at the Chamber's recent assembly comprised fewer than twenty executives. To an observer this seems pitifully small for an industry which is faced with such grave problems as (1) Federal Barge Line competition, (2) the possibility of the broadening of the United States warehouse Act, (3) the pending McDuffie bill to compel railroads to abandon less-than-cost rates for storage services, and (4) the probability that interstate motor truck traffic will be regulated.

Other industries, confronted with problems which are as vital to them as these four are to warehousing, seek to utilize the national Chamber's power and influence to effect solution of those problems.

Encroachment, unfair regulation, iniquitous competition, by Government bureaus and rail and water carriers, are constant threats which have the Chamber's attention.

The Chamber is business interests' instrument of defence against such threats. Broader participation by warehousing in the Chamber's activities is essential to warehousing's protection. The instrument is available and should be used.

The Score in New York:

Corner Man 65.9 Warehouse 34.1

Amazing Lack of Knowledge of Household Storage Business and Services Is Disclosed Through a Survey Among 400 Representative Families

AN inquiry unprecedented in the history of the household goods storage business has just been completed for the New York Furniture Warehousemen's Association by Daniel Starch & Staff, a research and advertising agency of New York City and Cambridge, Mass., and some facts have been brought to light which will be of interest to operators in this branch of warehousing all over the country.

The purposes of the investigation were three-fold, and the Starch organization's report will be the basis of the New York association's consideration of a proposal of cooperative advertising in magazines and newspapers having circulation in the metropolitan territory. These purposes are:

1. To find out how much or how little families in the New York City area use and know about the services performed by a modern furniture warehouse.

2. To find out the means families use for having these services, or their substitutes, performed.

3. To ascertain the attitude of families in the area toward warehouses and their services.

The method of the inquiry was determined after T. Mills Shepard and J. Waldron Hargitt, representing the Starch organization, had conferred with the N. Y. F. W. A. sales expansion committee chairmanned by Ernest H. Milligan. It was decided that families having an income of \$2,000 and more would constitute the bulk of the market for warehouse services, and that the major area served by the association's members would be included in the four boroughs of Manhattan, Brooklyn, Bronx and Queens and the suburban counties Nassau and Westchester.

As a measurement of the trend and as a general solution of the three-fold problem outlined, it was decided that a minimum of 400 personal calls—carefully scattered throughout the residential districts of the areas served and also covering all income levels above \$2,000 as the annual family income—would constitute a satisfactory sample or representative portion of the complete market.

Eight experienced field workers were sent out to ask

questions in the specified number of families. The investigators, while trained in the technique of interviewing, knew no more than the average layman about warehouse services and consequently were not able to assist those answering the questions, through helpful suggestions. This factor was necessary to insure strictly reliable and accurate information.

In order to facilitate comparison of results between (1) the areas covered and (2) the families at the various annual income levels, the 400 interviews were distributed equally among all classifications, as follows:

| | AA Over \$10,000 | A \$5,000- \$9,999 | BB \$3,000- \$4,999 | A \$2,000- \$2,999 |
|-------------------------|------------------------|--------------------------|---------------------------|--------------------------|
| Manhattan | 20 | 20 | 20 | 20 |
| Brooklyn | 20 | 20 | 20 | 20 |
| Bronx | 20 | 20 | 20 | 20 |
| Queens and Nassau | 20 | 20 | 20 | 20 |
| Westchester | 20 | 20 | 20 | 20 |

These income classifications have been used for several years and are now standard in the Starch organization.

While the results of the inquiry—set forth hereinafter—are entirely adequate for indicating the general situation, caution should be used, it is explained on behalf of the Starch organization, in employing the percentages as exact quantitative measures of the market. It is pointed out:

"In using as small a number of interviews as 400, individual interviews, of course, have a relatively more important effect on the total results, than where a larger number of interviews are employed. For the purposes in mind, however, a slight variation in the percentages, either up or down, would not materially change the obvious conclusion to be drawn from them. A difference of a few points in the percentages, if they were applied to families, however, would make an actual difference in the conclusions, and it is for this reason that caution is given.

"General conclusions based upon the entire data are, of course, in every instance more reliable than separate breakdowns as to areas or as to income classes. For this reason there has been no attempt made to give figures when the differences by areas or income groups are indicated."

THE results given in the accompanying tables are in percentage form. The percentages are based on weighted averages of the original data. This weighting has been done in accordance with the proportion of the total number of families (1) in the geographic divi-

sions covered, and (2) in the income classes investigated.

In every case where there is an appreciable difference in the results as between the various areas covered, or between the income groups, these differences will be indicated in connection with

the table concerned. In cases where the data seem insufficient, or there is any question as to the validity of the apparent conclusion, these facts are noted.

The first question was "When did you move last?" The chart and percentage table follow:



| | Per Cent |
|-----------|----------|
| January | 5.6 |
| February | 6.3 |
| March | 11.2 |
| April | 12.6 |
| May | 12.5 |
| June | 8.0 |
| July | 3.8 |
| August | 6.6 |
| September | 10.9 |
| October | 12.6 |
| November | 4.8 |
| December | 5.1 |
| | 100.0 |

The Starch report notes that the Manhattan moving season seems to reach a decided peak in October, with a peak in the Bronx also in October although not so decidedly so. As to income classes, there appear to be no important differences. This comment is made:

"It is very probable that persons stating that they move in October actually do the moving in September. Likewise the same situation occurs in the spring. The net result of this would be a somewhat sharper peak in the autumn of the year but not so much change in the spring peak. Judging from the figures, it seems likely that in the fall most of the moving is done in September and October whereas in the spring it is spread out more over the three months of March, April and May."

The percentage of families distributed by years when they last moved is as follows:

| | Per Cent |
|---------------|----------|
| 1930 | 6.5 |
| 1929 | 26.2 |
| 1928 | 18.4 |
| 1926-1927 | 15.8 |
| 1921-1925 | 19.8 |
| Prior to 1921 | 13.3 |
| | 100.0 |

"In Brooklyn," the report comments, "most of the moving was reported as being prior to 1925. Only about one-third of the families reported moving since that time. In Bronx the proportion of moving in the past three years is higher than for the average for all areas combined. In Westchester the families interviewed apparently moved less in recent years than did those in the other areas covered."

"In general, families in the lower income classes seem to have moved more recently than those in the upper income classes."

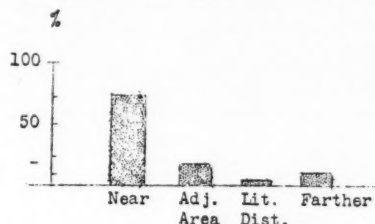
"It must be remembered that according to the wording of this question each family would report only regarding the last time they moved. These figures do not, therefore, include data as to previous moves if more than one has been made. Question 2 covers this latter point."

Question No. 2 was "Where did you move from?" Table and chart follow:

| From | Per Cent |
|-------------------------------------|----------|
| Nearby (same borough or suburb) | 73.3 |
| Adjacent borough or suburb | 19.6 |
| Other locality at a little distance | 2.5 |
| A distance | 4.6 |
| | 100.0 |

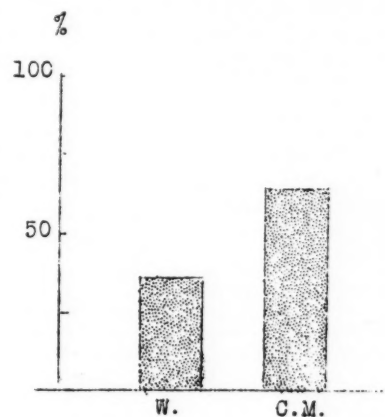
"Manhattan and Brooklyn families," the report comments, "move more within the same borough. Westchester families apparently moved more from other boroughs and a large proportion of them reported coming from a distance."

"Families in the upper income classes



apparently move farther on the average than those in the lower income classes. This trend seems to be quite unmistakable."

In reply to the question "Who moved you?", the following chart and table are available:



| | Per Cent |
|------------|----------|
| Warehouse | 34.1 |
| Corner man | 65.9 |
| | 100.0 |

"Westchester," says the report, "shows a larger preponderance in favor of the warehouseman. Nearly three-quarters of the families interviewed reported use of this type of warehouse service. In Bronx the proportion was relatively somewhat higher than for the other three areas. However, in this area, the repeated mention of a well-known name probably led to a slight distortion of the figures so that it is possible that there might be little, if any, difference between Bronx, Manhattan, Brooklyn and Queens in so far as the answers to this question are concerned."

"There is a decided tendency for those in the upper income classes to use warehouse movers and a corresponding tendency for those in the lower income classes to use corner men."

"Why did you select this firm?" was the next question, bringing the following percentages:

| | Per Cent |
|----------------------------|----------|
| Recommendation of a friend | 30.2 |
| Proximity | 19.1 |
| Previous use | 13.0 |
| Reputation | 6.6 |
| Price | 6.5 |

| | Per Cent |
|-----------------------|----------|
| Red Book | 3.2 |
| Billboard | 1.6 |
| Newspaper advertising | 1.4 |
| Telephone book | 1.4 |
| Other reasons | 17.0 |
| | 100.0 |

The Starch comment on the foregoing: "There are few differences with respect to individual areas. There are no important differences among the different income classes."

"Other reasons" are made up of items having individual totals of less than 1 per cent, it is explained.

"Do you know whether warehouses move goods from house to house?" was the next query, with this tabulation:

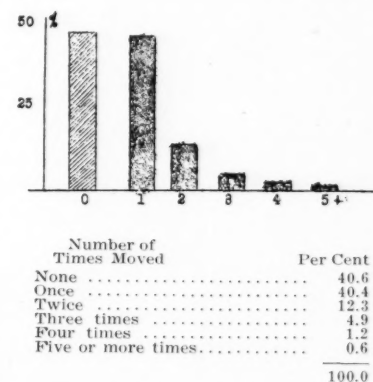
| | Per Cent |
|-----|----------|
| Yes | 52.1 |
| No | 47.9 |
| | 100.0 |

"Westchester and Bronx had the highest proportion of affirmative answers," says the report. "Brooklyn and Queens were low in knowledge called for by this question."

"The upper income classes were appreciably higher in proportion of affirmative answers than the lower income classes."

"This question may be somewhat of a leading one and consequently the proportion of affirmative answers may be somewhat of an overstatement."

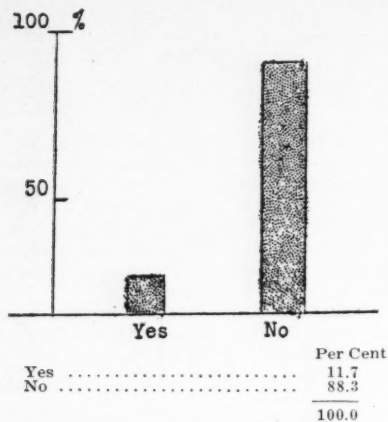
The next question was "How many times have you moved in the last five years?", and the chart and table follow:



"Bronx," the report comments, "showed the highest number of moves during the past five years, Westchester and Manhattan second and Queens and Brooklyn last. Two-thirds of the families in Brooklyn reported that they had not moved at all during the past five years and one-fifth had moved only once. In Bronx one-sixth had not moved at all and nearly fifty per cent had moved once. On the average, if these figures can be justifiably projected, a family moves about once in every seven years which means that one-seventh of the entire population moves every year."

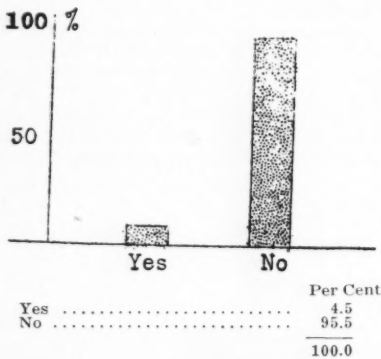
"The lower income classes move often than the upper income classes. This trend is quite decided."

"Have you ever had your furniture in a storage warehouse?" was the next query. Chart and table:



"The proportion was higher for Westchester and Bronx and lowest for Queens," the report states. "As to income classes, the proportion was very much higher for the upper classes than for the lower."

"Have you ever stored anything else in a warehouse?" was next asked. Chart and table:



"There were not important differences either between the results of areas or by income classes," says the report.

"Was the service satisfactory?" was the next query. This alludes to service on all types of merchandise stored in warehouses. The table:

| | Per Cent |
|---|-------------|
| Yes | 13.2 |
| No | 3.0 |
| Total using warehouse storage services | 16.2 |
| The 3 per cent divides as follows: | |
| | Per Cent |
| Breakage | 2.2 |
| Cost | 0.5 |
| Other unsatisfactory services | 0.3 |
| Total | 3.0 |

"There was little difference between the results of the different areas," the report states. "The upper classes were appreciably higher in the proportion of families who have stored other things than furniture in the warehouse."

"Do you know how modern warehouses store goods?" was next asked, bringing these percentages:

| | Per Cent |
|--------------|--------------|
| Yes | 29.5 |
| No | 70.5 |
| Total | 100.0 |

"There was apparently very little difference between the different areas

covered," says the report, "Bronx being somewhat higher than the others, and Brooklyn somewhat lower."

"The upper income classes seemed better informed."

"This is undoubtedly a leading question and probably the actual percentage of families who know how modern warehouses store goods is less than that given above."

Responses to the query "What other services of a storage warehouse have you ever used?" were analyzed as follows:

| | Per Cent |
|----------------------------|------------|
| Cleaning | 1.3 |
| Packing | 0.7 |
| Storing automobile | 0.3 |
| Other services used | 2.3 |

The answers to this question were so few that differences between areas were not obvious. All the families who reported "other services" were in the two upper income groups, the inquirers learned.

"What additional services of a warehouse do you know of?" was next asked. The table:

| | Per Cent |
|-------------------------------------|------------|
| Cleaning | 4.4 |
| Selling old furniture | 0.5 |
| Mothproofing | 0.7 |
| Crating | 2.3 |
| Automobile storage | 0.7 |
| Long distance moving | 0.5 |
| Refinishing furniture | 0.7 |
| Additional services known of | 9.8 |

"There were no apparent differences in the results for the different areas," the report says. "Persons in the upper income classes seem much better advised than those in the lower income classes."

"This question is not necessarily complete since in answering it a person would state only the services that they knew about in addition to those mentioned under preceding questions. In other words, if a person had already mentioned that they used a cleaning service or had been moved by a warehouse, they would obviously know of these services but would not mention them in the answers to this question. As a measure of the knowledge of the people in this area regarding warehouse services, this question is accordingly not a good indication."

"Do you store anything in the basement of the house in which you live?" was asked. The replies:

| | Per Cent |
|--------------|--------------|
| Yes | 19.5 |
| No | 80.5 |
| Total | 100.0 |

The affirmative 19.5 per cent divided as follows:

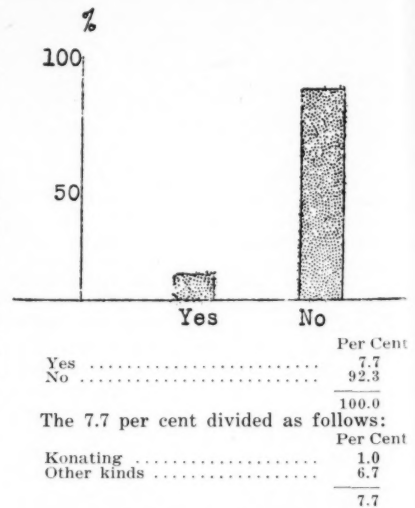
| | Per Cent |
|----------------------------------|-------------|
| Trunks | 8.2 |
| Furniture | 4.4 |
| Clothing | 2.9 |
| Other things stored | 4.0 |
| Total storage in basement | 19.5 |

"Manhattan," says the report, "shows the highest proportion of those storing anything in the basement. Trunks are by far the most important item there. In Brooklyn the proportion was low but but this was probably due to the fact people in many cases believed that our investigators were inspectors from the fire department."

"Difference between income groups were not important."

"The answers to this question did not yield entire satisfactory data and the foregoing figures are probably not completely reliable. Many of the answers were vague and a number were evasive."

"Do you ever use a mothproofing service?" was next asked. Chart and table:



"A comparatively large proportion of those in the Bronx stated they used a mothproofing service," the report says. "Brooklyn was next highest and the other three areas quite low."

"The upper income classes seemed to use this service more than the others."

Many persons considered moth balls, cedar closets and similar methods as mothproofing services, the inquirers found, and this accounts for the 6.7 per cent of "other kinds."

"Are you familiar with any such service?" was asked, alluding to mothproofing. The replies:

| | Per Cent |
|--------------|--------------|
| Yes | 9.1 |
| No | 90.9 |
| Total | 100.0 |

The 9.1 per cent divided as follows:

| | Per Cent |
|--------------|------------|
| Konating | 0.8 |
| Other kinds | 8.3 |
| Total | 9.1 |

"These answers were similar throughout to those for the preceding question," the report says. "Actually only 0.8 per cent were apparently familiar with a mothproofing service—Konating—the remainder giving such replies as moth balls, etc."

The next query was "Do you know whether you can have your rugs and draperies cleaned as well as stored by a warehouse?" The answers:

| | Per Cent |
|--------------|--------------|
| Yes | 27.1 |
| No | 72.9 |
| Total | 100.0 |

"In Manhattan and Brooklyn," the report comments, "more families stated they were informed on this point than those in the other areas. Queens seemed to be rather low."

(Concluded on page 48)

Negotiability of Receipts and Liabilities of Warehousemen

Twenty-ninth of a Series of Legal Articles

By LEO T. PARKER
Attorney-at-Law

GENERALLY speaking, a warehouseman who delivers goods, stored under ordinary terms and conditions clearly incorporated in warehouse receipts, takes the risk of delivering such goods without the production of the receipt. In other words, he guarantees that the person to whom he delivers the merchandise has the possession of the receipt or is rightfully entitled to it. To free himself from liability for delivering goods without production of the receipt, when it is shown that the receipt is in the hands of an innocent purchaser, or in the hands of a person who received it as collateral to secure the payment of money, the *burden* of showing the facts which would relieve the warehouseman from liability must be borne by him.

FOR instance, in *Williams v. Storage Co.*, 220 N. Y. S. 124, a person named Lima stored goods with a warehouseman and received therefor a negotiable warehouse receipt. Immediately after the owner of the goods received the warehouse receipt he indorsed it in blank and delivered it to another person as security for a \$1,200 loan. Neither Lima nor the holder of the receipt notified the warehouseman of the transaction. Several weeks later Lima called for the goods and represented to the warehouseman that he was still the holder of the warehouse receipt, that it was at his home, and that he would return the receipt within a day or so. Relying on these representations, the warehouseman delivered the goods and failed to demand return of the receipt.

Several years later the holder of the receipt presented it to the warehouseman and demanded the goods. In the litigation the warehouseman attempted to avoid liability on the contention that the holder was negligent in failing to present the receipt within a reasonable time. However, the Court held the warehouseman liable for full value of the goods represented by the receipt and said:

"The right of the plaintiff (holder of receipt) to present the warehouse receipt and demand the goods stored was a continuing right, against which no statute of limitations ran."

Obviously if the warehouseman can prove that the person to whom he delivered the goods had proper authority to take possession of the goods, he is relieved from liability; otherwise he is liable to the holder of the receipts for the full value of the goods.

Another important point of the established law relating to warehouse receipts is that, irrespective of the period of time which expires after issuance of the receipts, and notwithstanding usual statutes limiting the time for collecting money or merchandise due a creditor, a negotiable warehouse receipt is valid and collectable until it is presented to the warehouseman by its legal holder.

them or issue negotiable receipts therefor.

For illustration, in *Gazzola v. Lacy*, 299 S. W. 1039, the owner of goods in transportation sent the bill of lading to a warehouseman with instructions to store the goods. The warehouseman obtained possession of the goods by presentation of the bill of lading and, without authority of the owner, issued a negotiable receipt which he pledged with a bank as collateral security for a loan. When the owner discovered the transaction he filed suit. The Court promptly held the warehouse receipt invalid, saying:

"To enable a factor or warehouseman to pass title to merchandise in violation of his trust, it must be merchandise that has been committed to him for the purpose of sale or to secure advances. He cannot so deal with merchandise committed to him for storage . . . The factor was not intrusted by the owner with any negotiable document of title in this case . . . The owner here intrusted the factor with merchandise only. The merchandise was placed with the factor for storage. The factor never received authority to sell and therefore when the factor undertook to negotiate these warehouse receipts to the bank this transaction did not carry title to the goods to the bank, because the person negotiating the receipts had no title to the goods nor any

Next Month

THE warehouseman's liability for damage to goods, by employees and third persons will be considered by Mr. Parker in his next article, to appear in the July issue.

Proof of liability, honesty of employees, the warehouseman as a common carrier, acts of God, acts of employees, and failure to obey owners' instructions, are some of the phases considered, with Court decisions cited in support of the author's contentions.

Patron's Instructions

ANY person who is intrusted with a bill of lading or a warehouse receipt is deemed to be the true owner of the goods represented thereby. Moreover a holder in good faith of a negotiable warehouse receipt possesses an absolute title to the merchandise, unless the receipt was fraudulently issued.

Obviously warehouse receipts issued without authority of the owner of the goods are invalid, because a warehouseman's sole authority is to store the goods. Therefore he cannot legally sell

ability to convey title thereto to a purchaser in good faith for value."

On the other hand, either a warehouseman, or his common employee, or any other person may make valid indorsements or binding agreements regarding warehouse receipts, providing the testimony indicates that he was duly authorized by the owner of the receipts to transact the business.

For example, in *Augusta Warehouse v. Georgia*, 142 S. E. 539, it was disclosed that a manager of a corporation, which owned warehouse receipts, authorized a common employee to indorse them to a bank. Subsequently the warehouseman delivered the goods to the corporation without demanding the receipts, and the bank filed suit to collect from the warehouseman the value of the goods.

The warehouseman attempted to avoid liability on the grounds that the indorsement of the receipts by the corporation's common employee was invalid. However, the Court held the indorsement valid, resulting in the warehouseman's liability, saying:

"The bank as pledgee acquired sufficient title, as against the warehouse company, to support an action against that company for the value of the goods after they had been fraudulently withdrawn from the warehouse company without surrender of the warehouse receipts."

Identification

STILL another interesting point of the law is that a warehouseman is liable to the same extent when, upon presentation of receipts, he cannot identify the goods, as where he issues receipts for goods never received in storage.

For instance, in *Peterson v. Haynes*, 134 S. E. 775, the Court held that if a warehouseman impliedly warrants to the holders of negotiable warehouse receipts the existence of the goods represented by the receipts, and if it is not possible to identify the goods, the result is the same as where the property is lost, destroyed or damaged through the warehouseman's negligence.

In this case it was disclosed that a bank bought a warehouseman's note for the sum of \$5,000. Attached to the note, as collateral security, was a promissory note executed by another person payable to himself, or order, and indorsed in blank. Attached to the latter note, as collateral security, was a warehouse receipt representing that certain goods had been stored in the warehouse. The bank sued when the warehouseman was unable to distinguish the goods from other stored merchandise. In holding the warehouseman liable the Court said:

"The transferor of a . . . warehouse receipt impliedly warrants that the goods represented by such receipt are in existence at the time the receipt is transferred; and this is so whether the transaction is a mere sale or a transfer. To allow the holder of such receipt to get the money of a transferee, when the latter gets nothing for his money paid in consideration of getting security for

the note which he purchases, and for which such receipt is pledged as collateral security, would violate every sense of right and justice."

On the other hand it is important to know that in *Bowen v. Bearden*, 117 So. 622, it was held that any person is the legal owner of a warehouse receipt indorsed to bearer, although such person obtains the receipts in good faith from a thief who stole them from the legal owner. In this case the Court said:

"If issued to the owner and by him, made to run in favor of the bearer, or if by him indorsed to bearer, it cannot be said one who has obtained possession without his consent may not pass to a pledgee a good title in any event."

Legal Effect

IT has been unusually held that a warehouse receipt is a mere symbol of property deposited in a warehouse and, if the receipt is negotiable, passage of the receipt from one person or firm to another is equivalent to delivery of the property. On the other hand, if the receipt represents on property it is valueless.

For illustration, in the leading case of *Planters Co. v. Merchants*, 3 S. E. 327, the Court said:

"There can be little doubt that a warehouse receipt is a mere symbol of property. It is the shadow of an absent substance; and when it has passed from one hand to another, it is only symbolic of the property it represents; and if it represents no property, its holder has nothing but a mere piece of paper. That is the general character and effect of a warehouse receipt, just as a bill of lading. Warehouse receipts, pure and simple, with only the incidents annexed to them by law, and none super-added by special contract, conduct or representation, are no more obligatory in the hands of *bona fide* holders for value than in the hands of the original bailor of the property stored."

Also the law is well established that the legal effect of a warehouse receipt is not impaired by a recital therein to the effect that the holder has a lien on the property for the full cost of the same (11 Ohio St. 311); or by a recital that the property shall be delivered on the surrender of the receipt and the payment of the purchase price with taxes (137 Ill. App. 369).

And in another case it has been held that where a receipt contains a stipulation that it is "transferable only in the books," the assignees or purchasers of the receipts are not entitled to recover from the warehouseman for his failure to deliver the property, unless a transfer on the books is proved, or that the property was in the possession of the warehouseman at the time the assignees acquired the receipts and that while holding such possession the warehouseman received notice of the purchase of the property (84 S. W. 856).

Another important point of the law is that a transfer of a warehouse receipt operates as a transfer of the title to the goods represented thereby. Therefore,

it is held that the possession of a receipt indorsed in blank is presumptive evidence of ownership of the goods (52 Cal. 611).

Negotiability

A NEGOTIABLE warehouse receipt is a written contract on the part of a warehouseman to deliver to the holder a specified quantity of merchandise, upon presentation of the receipt.

Also it is well settled that a warehouse receipt is not a contract for payment, nor is it evidence of an obligation to pay money. It is the written acknowledgment by the warehouseman that he has received and holds the goods for the person to whom it is issued. Therefore, when determining the validity and effect of a warehouse negotiable receipt, the Courts rarely render a decision based on the rules of the law applicable to notes, bills of exchange, and other similar kinds of negotiable instruments.

An illustration of the legal effect of this established principle of the law is found in *Vannett v. Reilly-Herz Automobile Co.*, 173 N. W. 466. Here the owner of automobiles stored them in a warehouse and received negotiable warehouse receipts which he negotiated to a bank. Later a creditor of the person who stored the automobiles with the warehouseman attempted to attach the machines. However the higher Court held the automobiles not subject to attachment proceedings, as the receipts had previously been negotiated to a bank, and said:

"When the statute refers to a 'warehouseman's negotiable receipt,' the word 'negotiable' is not used in the sense in which it is applied to bills of exchange or promissory notes, but only as indicating that in the passage of warehouse receipts through the channels of commerce the law regards the property which they describe as following them, and gives to their regular transfer by indorsement the effect of a manual delivery of the things specified in them. Such statutes serve to give the transferee or holder of the receipt the right to bring suit on the receipt in his own name and to transfer to a *bona fide* purchaser a title in the stored goods free from any debts of prior holders not apparent on the face of the instrument."

In a technical sense a warehouse receipt is not a negotiable instrument and the provisions of the negotiable instruments Act are not applicable thereto. For this reason it is well settled, as held in the foregoing case, that the indorsement and delivery to a bank of such receipts pass the title of the merchandise to the bank, and the creditor of the original holder of the receipts has no attachable interest therein.

Charges and Advances

ALTHOUGH negotiable warehouse receipts should contain evidence of the charges and advances due the warehouseman when the receipts were issued, usually the receipts need not contain no-

tification that no charges or advances are due.

For example, in *Smith Bros. Co. v. Richheimer & Co.*, 83 So. 255, it was held that receipts issued by warehousemen are valid and negotiable although they did not embody in their written or printed terms the rate of storage charges, or a statement of the amount of advances made and of liabilities incurred for which the warehouseman claimed liens. In this instance the statute did not require inclusion of such charges and advances if there were none when the receipts were issued.

In this case it was contended that the warehouse receipts were invalid because they did not recite that there were no charges for advances, or storage charges. However the Court held that this omission did not invalidate the receipts, saying:

"The principal question presented is whether the instruments held by the bank are valid, negotiable warehouse receipts, conferring upon a purchaser for value and in good faith the advantage claimed by the bank. . . . It is contended that each one of the receipts in question lacks the following 'essential terms,' viz: (1) The rate of storage charges; and (2) a statement of the amount of advances made and of liabilities incurred for which the warehouseman claims a lien, or (if the amount was unknown to the warehouseman or his agent at the time of issue of the receipt) a statement of the fact that advances were made or liabilities incurred and the purpose thereof. . . . It is quite certain that the law does not, and could not with reason, require that a warehouseman should insert in a warehouse receipt a rate of storage charges, a statement of advances made and of liabilities incurred for which the warehouseman might claim a lien, or a statement of the fact that advances had been made or liabilities incurred and the purpose thereof, if there were no storage charges, nor advances made nor liabilities incurred. . . . Nor does the statute require that a valid warehouse receipt shall contain the negative statement that there are no storage charges running, if there are none, or that no advances have been made, if none have been made, or that no liabilities have been incurred, if none have been incurred."

Also, in the recent case of *Arbuthnot v. Richheimer*, 72 So. 251, it was disclosed that warehouse receipts did not contain the rate of storage charges, or a statement of the advances made by the warehouseman. The receipts stated the name of the depositor, the receipt of the goods, "deliverable only on the return of these receipts properly indorsed," with the legend, "Negotiable Warehouse Receipts" printed on the margin.

The Court held these receipts negotiable, saying:

"The receipts in question did not contain 'the rate of storage charges' or 'statement of advances made and of liabilities incurred for which the warehouseman claims a lien.' Did the omission of such requirements destroy the

character of the instrument as a warehouse receipt? The statute does not so declare, but does provide that in such a case the warehouseman shall be liable to any person injured thereby for all damage caused by such omissions. It is not reasonable to suppose that the lawmaker contemplated the nullification of otherwise valid warehouse receipts for the omission of 'the consecutive number of the receipt,' or 'the location of the warehouse,' or 'the rate of storage charges.'"

Also, the fact that notes have attached thereto negotiable warehouse receipts which represent no merchandise, does not affect the negotiability of the notes.

For example, in *First Nat. Bank v. Groves*, 168 N. E. 785, it was disclosed that a person gave two notes. To each note was attached a warehouse receipt which stated that the maker had deposited in a warehouse, as collateral security for the payment of the notes, a specified quantity of merchandise. When suit was filed to collect the notes it developed that the maker had failed to store the goods. It was contended

that for this reason the notes were not negotiable. However, the Court held the notes negotiable and said:

"The notes with the collateral agreements attached . . . and property described in the warehouse receipts, are . . . negotiable instruments."

Mere Packages

CONSIDERABLE legal controversy has existed from time to time as to whether a warehouseman who issues negotiable warehouse receipts for a specified number of packages, boxes, barrels, or bales, guarantees the contents.

Generally speaking, the warehouseman is not liable if the holder of the receipts discovers that the packages are empty or contain different merchandise from that specified in the receipts, unless the testimony shows that the warehouseman examined the contents and in some manner actually or impliedly guaranteed the correctness of the receipts.

Another rule, by which a warehouseman may be liable, is where by custom or commercial usage the packages specified in the receipts are a predetermined size or contain a known quantity of merchandise.

In other words, a suit against a warehouseman, by the assignee of negotiable warehouse receipts issued by the warehouseman for goods stored with him for safekeeping, can be maintained only in the event that a custom and usage of trade, as to the weight and grade of the merchandise, is shown to have become, by implication, a part of the receipts. Neither the weight nor the grade being shown in the receipts themselves, the warehouseman is liable if he knows the contents.

For instance, in *Citizens' & Southern Bank v. Union Warehouse Co.*, 122 S. E. 327, it was disclosed that a warehouseman issued negotiable warehouse receipts sued the warehouseman to recover the value of the cotton, which he contended should by custom have been contained in the bales.

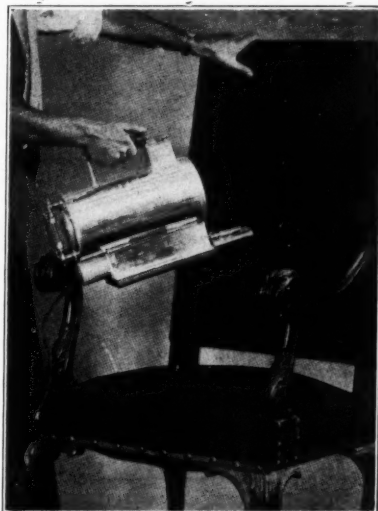
Inasmuch as the testimony proved that the bales averaged less than 400 pounds each, and the average customary weight of the bales was 500 pounds each, the Court indicated the warehouseman's liability, stating the following important law:

"To make a usage and custom of trade binding, it must be known, certain, uniform, reasonable, and not contrary to law. . . . An alleged usage which leaves some material element to the discretion of the individual is void for uncertainty. Such a usage would be void because useless. . . . This is so for the reason that the office of a custom or usage is to interpret the otherwise indeterminate intentions of the parties. . . . The usages of a particular business, which are known, uniform, reasonable, and not contrary to law or public policy, may be presumed to have entered into and formed a part of the contracts and undertakings of persons engaged in such business and those who deal with them."

Portable Steamer Removes Creases

A NEW product of interest to household goods storage executives is announced by the American Plush & Velvet Pressboard Co., 321 Fifth Avenue, New York City. It is called the "Little Wonder" portable electric "super-heated" steamer, designed to remove marks, creases and crushes from mohair, plush, velour and other upholstery materials. Light in weight and fitted into a small case easily carried, it is operated by plugging in to any electric outlet, and dry steam at the proper temperature is developed. It can be taken to the customer's home and there used for restoring materials marred or slightly damaged.

The price of the steamer, illustrated herewith, is \$55 complete and ready for use.



H. A. Haring's

New Business for Warehouses

No. 55

Electric Lighting Systems

FOR more than twenty years "farm lighting plants" would have been the proper title for this article on new business, but within the past decade the farm as their market has been immensely enlarged. For many years, too, "farm lighting plants" included acetylene and similar gases as fuel. These have now so far disappeared from the market that electricity as power is almost universal, and we shall, for that reason, assume that electricity is to be used. So far, however, as new business for the warehouse is concerned, the mode of operating the plant is of no consequence.

The original farm market has immensely broadened out. The farm still remains as an important outlet. With it now stand, however, stores in outlying communities, country estates of the rich where wired electricity does not penetrate, roadside filling stations, towers for the lighted airway routes, and the like. Although the utilities are extending their pole lines into rural communities more and more each year, the demand for electricity itself always seems to be many miles ahead of the wires.

No matter how far into the wilds a modern American

may go he craves a few conveniences. Among these are electricity—for illumination, for a refrigerator, for fans, for power to run the pump or milk the cows or operate the radio. Electricity, generated from a small local plant, has given the expeditions of Byrd, Wilkins and Mawson comforts these two years such as no Arctic explorer ever enjoyed; electricity for fans and refrigeration alone makes the Canal Zone habitable for the white race; isolated electric plants, often so small as to be portable, enable American corporations to retain high-grade men in the odd byways of the world for exploration, for engineering and for selling; and the lighted airways permit the world's air-mail service to maintain its schedule.

Few city people have the least realization of how many electric lighting systems are operated by individual owners in this country. City dwellers obtain electricity through a meter without two thoughts to the matter. The man who lives, or works, beyond the shadow of a pole line obtains his electricity by making it on the premises. Either he makes his own or goes without, and it is not a trait of America to be without any reasonable convenience.

WHEN electricity comes to a new community, the tendency is for owners of their own plants to discard them and buy "juice" from the public utility corporation. They may not do this the first year, but, year by year as replacements become necessary, either of battery or machinery, it proves to be economical to scrap (or sell second-hand) the local plant and purchase power.

Therefore established dealers of electric systems often cease to do any business at all. The need, within their community, has simply evaporated.

On the other hand, like circling waves on the pond into which a stone is tossed, new demand arises a short distance ahead of the pole line. Recent years, for example, have seen the utilities in Alabama and Georgia spreading their services into rural communities. They have brought electricity into thousands of homes where the lamp had been the only light, where a fan was unknown, and where refrigeration was utterly impossible before. But it has been their experience that every mile of wire created customers for several miles beyond. People saw the new-fangled convenience in the homes of their friends, and wives envied their neighbors, with the result that individual electrical plants have done more business in those States than was ever thought possible. "Electricity from wires" has not decreased volume

for local plants. It has vastly widened the demand.

This process creates, however, a continual shifting of the center of business. It never was in the cities. Its natural center is some county seat or outlying point. But, as one can understand, as these centers become more citified by building central stations they cease to be markets for individual lighting systems. Yet, as with the southern States cited, the very thing that ruins them as markets brings into life a larger circle of new markets roundabout.

The makers of such equipment must fashion their selling to these conditions. A city may be headquarters, as often it is, for the sales managers. Yet the selling must be done outside of urban localities—in that ever-shifting area of the "rural community," which is about as hard to define and bound as is the "frontier" or "out where the West begins."

Local Agents

THEREFORE the makers, from mighty Delco down to the tiniest of the "unknowns," is compelled to sell through local agents.

The local agent may be a regular salesman of the company, working as one of a "county crew" which systematically canvasses the community for prospects. He may be a local school teacher who devotes spare hours of the winter and full

time in the vacation to this work. He may be almost anyone in the locality with sales ability. He may be the nearest electrician, often is the plumber, and, of the past four years, sometimes combines into one business these lighting systems with domestic oil burners, "gas" cylinders for cooking, and domestic water systems.

Seldom, however, does the local representative carry a stock. To do so is hardly necessary, for the reason that an equipment of this type requires time for installation and that time is generally sufficient to permit shipment from the factory or central warehouse. It is quite probable that few dealers would care to stock the line because it would tie up too much capital, and, with the many sizes and uses, there would be a large chance of not having on hand the particular equipment wanted.

"F.O.B. Factory"

PRICES are quoted, as with most such goods, "f.o.b. the factory." The purchaser must also pay the cost of setting up.

Although the economy of carload shipment does not happen. The purchaser's outment is apparent, only too often this fit is a shipment by itself at less-than-carload rates. It weighs anywhere from 400 to 3500 pounds. As a rule, moreover, the purchaser is not versed in freight

matters. He probably knows no such word as "carload" in rates. But he does know that the freight is a big item.

The man who makes the sale knows it, too.

"I lose more sales over the freight," declares one such agent, "than for anything else. They'll make up their minds to spend a thousand dollars for the plant; but, every time, they balk at seventy for freight. Once in a while I've been lucky enough to sign up a couple of orders close together so they can be shipped in one car, and, every time, I've been able to go back over some of my lost sales and bring a few of them to the dotted line by explaining that if they buy right now I can cut the freight to a half or so.

"If I could ship carloads all the time I could bargain with the freight as my spread in price."

To meet this situation the manufacturers attempt to bunch their selling. In developing new territories their men go out in crews which work in and about a place to which all equipment may be shipped in carloads. With this in mind, they quote delivered prices or estimate the freight on the basis of a carload lot, not forgetting, of course, to urge this saving as a good reason for "ordering today."

After the crew has passed to a new field, selling must be left to local agents of the sort already mentioned. From them, orders come in without regularity. The orders are, as another matter, scattered just enough over the county to prevent economical shipments to a single point.

The freight item becomes, in this manner, a knotty problem with this commodity.

Warehouse Use

COMPETITION is sharp wherever one or two equipments have been set up. Before a system is erected, the neighbors usually know all about its cost and expected economies. They are often on hand to witness the delivery and installation. Curiosity quickly yields to desire, because the benefits of electricity, in a rural community, are manifest. In this way, one satisfactory installation usually is the forerunner of a small storm of sales, not only of that make but of rival products as well.

Competition takes the usual form of quality and price—price often centering on the freight item.

As, therefore, demand emerges in a community, all makers who can profitably sell there, make efforts to tie up with local agents for their share of the business. A community may be a county or it may be several of them, but it is never larger than one man can cover with reasonable frequency on his routes.

The competition requires carload rates on the freight, and, as the most natural way out, the manufacturers ship their goods to warehouses. If one of them attempts to sell on any other basis his goods shortly get a reputation like this: "The freight's too much." Storage is

found not so much with warehouses in the large centers as with warehouses in smaller cities.

Like the sale of electric lighting systems themselves, the stocks in warehouse show a tendency to shift. A warehouse may have two carloads for a year or two (counting goods on hand and in transit from the factory) and then lose the account altogether. This loss may be the result of the market vanishing—by reason of pole lines coming to the place. The loss is more apt to be from change of local agencies.

Selling this class of goods is so largely a matter of personality that the makers face difficulties all the time. A good agent will bring in a steady volume and will use one customer to persuade the next; but let that agent quit the company for any reason and it is a problem to find one who will follow up his prospects and "leads" in the same way. Often the company fails altogether to replace an agent with anyone who can bring in orders at all. Volume therefore falls.

An alert warehouseman who knows his community—as all do in the smaller cities—can do no greater "service" to one of these manufacturers than to keep an eye on the sort of selling done in the community: first, that of the company's own man; secondly, that of competitors.

Quotations

CONSIGNEE stocks are common. Where an agent has made good with his company he is frequently given the right to sign requisitions for the company's stock in warehouse, both for new equipment and for replacements.

Quotations of so much a ton for handling and so much a hundred for storing are meaningless to these men. They are one of that class who must think in units of the goods—units, that means, of one electric lighting plant, or one set of storage batteries, or one fly wheel.

The stock, as usually warehoused, consists of complete units and of repair parts. The complete units, for each community, rarely run to more than four sizes of two types—say eight varieties all told. The usual replacement parts, except fly wheels and shafting, are interchangeable and small.

In computing the rate, the warehouseman must consider weight and size, whether crated or uncrated, mode of tiering and handling. If he quotes on the usual basis, such as the factory would understand and accept, his figures are lost on the local agent.

If, however, the warehouse takes the time to work out typical rates for each style of installation and for each replacement part, it is possible to build up a simple schedule of rates, stated on a single page of a letter, which is intelligible to the local man. The latter then knows what sum he must add to the list price for freight and for storing (including handling), and his sales talk is simplified because he can quote prices to a penny.

It is not the warehouseman's "business" to figure the freight rates for the

agent. It is a help for him to do so. The warehouseman understands freight rates, while the agent probably does not.

"Does that mean," exclaimed one such agent to a warehouseman in New York, "that all this fussing about freight gets down to \$61 for our big No. 2 plant?"

"Yes, indeed," was the reply. "Sixty-one dollars and eighteen cents well let you out for the freight, all the handling, and storage here for three months, provided, of course, the factory ships in carloads."

"Well," smiled the agent, "I can stand that. Why, the freight alone will sometimes run a hundred and fifty on that size. If I'm safe in using these figures you give me for batteries and repair parts, and whole systems, I'll be 'raring to go' at it. I'll skin the other manufacturers and I'll have every present owner digging up his paid freight bills to see how much he wasted on his plant."

Warehouseman, for a further suggestion, who handle electric lighting systems for benefit of local agents, find another "service" helpful.

One plant is set up in the warehouse, fully equipped with accessories. The agent is permitted to bring prospective customers to the warehouse to examine the equipment. These agents like "demonstrators" of this sort better than to take a prospect to examine a plant already installed with a neighbor.

The reason is simple, once you have watched the "demonstration." The salesman, at the warehouse, has the patron to himself!

At a neighbor's home, on the contrary, there is always a third person standing by to interrupt the talk. When the sale reaches the "closing point," this third party becomes a nuisance. Often his presence prevents a closing. This is particularly true if the price is to be "shaded a trifle," if the purchaser desires time to pay, or if there is to be an allowance for a trade-in. Matters of this sort are best determined when two men are by themselves, as they may easily be on the floor of a warehouse.

Bekins Petition

The Bekins Van & Storage Co., Oakland, has petitioned the California State Railroad Commission for permission to store general merchandise in its warehouse at Twenty-second Street and San Pedro Avenue, Oakland.

The petition pointed out that the firm stored merchandise in good faith prior to enactment, in 1927, of the State statute which prohibits such storage with a certificate from the Commission.

The Commission took the petition under advisement.

Manitowoc Plant

The Charles Schlei Dray Line, Manitowoc, Wis., is completing construction of a \$6,000 warehouse, two stories high, brick. The company is the local agent of the United Van Association, Cleveland, Ohio.

FROM THE LEGAL VIEWPOINT

By

Leo T. Parker

State Control of Common Carriers

GENERALLY speaking, the exclusive control of interstate commerce is given by the Constitution to Congress. No State may pass any law which prohibits or unduly burdens interstate commerce. For certain limited purposes a State may enact a statute which incidentally affects interstate commerce, provided it does not prohibit or unduly burden such commerce.

Thus a State may pass a law imposing a tax upon a company operating motor vehicles exclusively in interstate commerce over the highways of the State if it is imposed for the upkeep and maintenance of those highways, provided it does not discriminate against interstate commerce. A State may, for the safety of its people, enact police regulations governing the manner in which its highways are used.

Such laws are binding on persons engaged *exclusively* in interstate business, as well as on others, provided they are reasonable regulations and not discriminatory.

A State may require an interstate carrier to obtain a permit before using the highways of the State and may condition the issuance of that permit on compliance by the carrier with its laws, *not including*, however, any law either prohibiting or imposing an *undue burden on interstate commerce*.

On the other hand, where a carrier is engaged exclusively in interstate commerce a State may not require it to obtain a certificate of convenience and necessity. Where a carrier is engaged in both interstate and intrastate transportation, the State may require it to obtain a certificate of convenience and necessity and to pay a license tax as to its intrastate business, but only if that will not result in burdening unduly its interstate business.

For example, in *Atlantic-Pacific v. Stahl*, 36 F. (2d) 260, it was disclosed that a State law made it unlawful for any common carrier to furnish service within the State without first having obtained a certificate of convenience and necessity from the Public Utilities Commission. The Commission was given the power to refuse such a certificate if in its judgment public convenience and necessity would not be promoted by such service. Nowhere in the law was there any distinction made between the interstate transportation and intrastate

transportation. Therefore the Court held the law invalid, and said:

"The law then is that a State may not require a carrier doing both intrastate and interstate business to obtain a certificate of convenience and necessity or a license as to its intrastate business, if that will burden its interstate business. Certainly, if it cannot even burden a carrier's interstate business by requiring it to obtain a certificate of convenience and necessity or a license as to its intrastate business, it cannot absolutely prevent its doing an interstate business because it has not obtained as to its intrastate business such a certificate or license."

Your Legal Problems

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business.

Cotton License Law Is Upheld

THE right of a State to levy license or privilege taxes on cotton warehouses has not been restricted by the United States Warehouse Act even though cotton so stored is intended to be moved in interstate commerce, it has been held by the Federal Circuit Court of Appeals, Fifth Circuit, Louisiana.

The opinion points out that an Alabama statute providing for such taxes on cotton warehouses was claimed to be an unwarranted interference with interstate commerce and a deprivation of property without due process.

The Circuit Court of Appeals, however, sustained a District Court in holding a State law valid on the ground that Congress in the enactment of the Federal Warehouse Act did not intend to exclude the jurisdiction of States in regulating agricultural warehouses and warehousemen, even though such regulations should tend to affect interstate or foreign commerce.

Automobile Owner and City Fireman

IN almost all cases the Courts have held the owners of private vehicles liable in damages to members of city fire departments who are injured as a result of the driver of the private vehicle failing to drive to the curb and stop when hearing the signal warning that a fire truck is approaching.

For illustration, in *Padgett v. McKisick*, 280 Pac. 409, it was disclosed that a fireman was standing on the left running board of a fire truck and sounding a siren to give warning to the traffic of its approach. A motor truck driver heard the signal but failed to turn to the curb and stop. When he came to a street intersection he turned to the right, and the driver of the fire truck, instead of attempting to pass the motor truck on the left side, ran into it, seriously injuring a fireman, who sued the owner of the motor truck for damages. The lower Court held the fireman not entitled to damages, but the higher Court reversed the verdict, saying:

"In the present case testimony was introduced which tended to show that Protzman, the driver of the truck, saw and heard the approaching fire truck and arbitrarily held the road until the fire truck had gotten within 15 or 20 feet of him. It was within the province of the jury to consider this testimony and to determine whether or not the conduct of Protzman was arbitrarily or willful, and determine the necessity, if any, of the fire truck in passing the truck on the right-hand side. . . . Had the driver of the defendant's motor truck stopped his vehicle at the street line . . . the fire truck would have passed without interference."

Liability for Death of a Warehouseman

IT is well settled that citizens are expected by the law to exercise care to protect themselves against injury. However, the law is well established that companies which use city streets are liable for injuries negligently caused by its equipment.

For instance, in *Mountain States Telephone & Telegraph Co. v. Walker*, 35 F. (2d) 465, it was disclosed that the owner of the Walker Transfer & Storage Co. was engaged in moving a truck load of furniture and was seated on a box, the top of which was 6 to 7 feet above the bed of the truck, which was approxi-

mately 4 feet high. A telephone wire, from 10 to 12 feet high, was strung across the roadway and this wire knocked the warehouseman off the truck, causing his death.

His dependents sued the telephone company for damages. The latter attempted to avoid liability on the contention that the warehouseman was negligent in sitting on the top of the high motor vehicle, particularly for the reason that all of its wires in the town were strung approximately the same distance from the ground. However the Court held the telephone company liable, and said:

"The allegation that defendant [telephone company] maintained a telephone wire across the street in a position to interfere with the usual traffic upon the street is a sufficient specification of negligence. . . . It is in evidence that many telephone and high power wires like those of defendant were strung along the highways at heights the same and even lower than the wires of defendant; but this is of no consequence, and can afford no protection to the defendant in its invasion of the right of those who were entitled to a safe and unobstructed ordinary use of the highways. It only increased the danger and liability to injury of those who had a right to an unobstructed passage under them."

The Lien Law in Tennessee

GENERALLY speaking, a warehouseman's lien is superior to a seller's conditional contract, or mortgage given by the purchaser to secure payment, providing the contract or mortgage is not properly recorded. However, this usual rule may be varied by State laws. It is important to know that such a law, although uncommon, is effective in Tennessee.

In *Knoxville Outfitting Co. v. Knoxville Fireproof Storage Co.*, 22 S. W. (2d) 354, it was disclosed that a person purchased household goods and signed a contract that he would not expect legal title in the goods until he had fully paid for them. Before he had completed paying for the goods he stored them in a warehouse.

When the owner refused to pay the storage charges the warehouseman attempted to hold the goods to secure payment, as the seller's contract of sale was not properly recorded. The seller filed suit, contending that he held a lien superior to the warehouseman's lien because of the following state law:

"A warehouseman's lien may be enforced:

"(a) Against all goods, whenever deposited, belonging to the person who is liable as debtor for the claims in regard to which the lien is asserted, and

"(b) Against all goods belonging to others which have been deposited at any time by the person who is liable as debtor for the claims in regard to which the lien is asserted, if such person had been entrusted with the possession of the goods and a pledge of the same by him to one

who took the goods in good faith for value would have been valid."

In view of this law the Court held the seller's lien superior to the warehouseman's lien, and said:

"The common-law lien of a warehouseman has been superseded in this State and a statutory lien of different scope provided in his favor by statute. No such statute weakens the common-law lien of an artisan in possession of property upon which he has done work. . . . When there is a conflict between the common law and a statute, the provision of the statute must prevail. . . . We see no occasion for a discussion of the question of the implied authority of the conditional vendee [buyer] herein to store these goods so as to bind the conditional vendor for the warehouseman's charges. He would have no such authority under the statute unless he likewise had implied authority to pledge the goods, and the latter proposition cannot be maintained. . . . The title of a vendor retained in a written contract, although unregistered, is in Tennessee superior to any right acquired by a purchaser for value and without notice. . . . A pledge of the goods by the conditional vendee in this case, therefore, would not have been valid. Accordingly, under the plain language of the statute, the warehouseman acquired no lien on such goods so deposited with him by this conditional vendee [purchaser]."

Payment of Freight Charges by Check

ANY payment to a common carrier of freight charges, except in cash, is invalid. So held the higher United States Court in *Fullerton Co. v. Chicago S. P. & P. R. Co.*, 36 F. (2d) 180.

In this case a consignee gave his check on a State bank in payment of freight charges on a carload of goods consigned to it and carried in interstate commerce. The local agent for the railroad company accepted the check as payment and receipted the freight bill. The check was not presented by the railway company for payment to the bank on which it was drawn until after the bank had closed its doors, which was six days after delivery of the check, and consequently it was never paid, although the consignee had at all times sufficient deposit with the bank to cover it.

The carrier filed suit to collect the freight charges, and the consignee argued that it was not liable; first, because the carrier had receipted the freight bill; second, because the carrier negligently held the check for six days before presenting it for payment; and third, because payment by check is equivalent to cash.

However the Court held the consignee bound to pay the charges due, and said:

"It is the usual rule, in the absence of an express agreement otherwise, that payment by draft or check is conditional payment only, ripening into absolute payment when the draft or check is in fact paid. . . . A paramount purpose of the regulation of carriers is to compel

uniform treatment of shippers, and the exaction of the published freight charges in cash payment from each and all shippers alike is a necessary step. . . . It must follow that the payment by the check was unlawful and that the plaintiff [carrier] herein is entitled under the law to recover in this suit the charges for the freight which have never been legally paid."

Jury May Determine Trucker's Liability

IT is well settled that the owner of a motor truck is not liable for injuries to a pedestrian, or the driver of another vehicle, whose negligence contributes to the accident. However the jury, after carefully considering all details of the testimony, may determine whether the injured party was contributorily negligent, and usually a higher Court will not reverse the jury's verdict, unless the trial judge, or the jurors, committed a breach of legal duty.

For example, in *Swartz v. Acme Drayage Co.*, 283 Pac. 358, the controversy involved a collision between a motor truck and a passenger car, causing the latter to run over an embankment, seriously injuring the woman driver, who sued the owner of the truck for damages.

The jury rendered a verdict in favor of the injured woman, and the motor truck owner appealed to the higher Court, contending that the woman was contributorily negligent, as the testimony showed that she was driving with one hand and with eyes averted from the highway while giving attention to her small child seated in the rear of the automobile, and in her failure to apply either her foot or emergency brake after the collision or to take any other means to prevent her car from going into the creek bed.

Notwithstanding these facts the higher Court sustained the verdict in favor of the injured woman, saying:

"The question of contributory negligence is one of fact for the jury to solve under proper instructions, and not one of law save in those cases in which, judged in the light of common knowledge and experience, there is a standard of prudence to which all persons similarly situated must conform. In such cases failure to reach that standard is contributory negligence as matter of law."

Railroad Liability for Repair to Cars

ORDINARILY a warehouseman is permitted to make minor repairs on freight cars and charge the expense to the railway company. However only reasonable expenses are collectable. This point of the law was discussed by the higher Court in the case of *Highway Co. v. St. Louis-San Francisco Ry. Co.*, 21 S. W. (2d) 1.

In this case it was shown that a shipper made repairs on freight cars by nailing boards over the holes in the floors and strips over the cracks in the sides. He kept an account of the serial number

of each car on which he made repairs and the amount which he expended for material and labor.

The railway company refused to pay the bill, and the shipper filed suit. In view of the fact that the testimony tended to prove that the shipper had entered charges for labor and material for repairing small holes in cars, when such repairs were unnecessary to prevent loss of the goods being shipped, the Court held the railway company not liable for the repair expenses, stating the following important law:

"The general rule, as we understand it, is that it is the duty of the railroad to furnish cars suitable for use in making the particular shipments for which they are ordered, and, if they are used by the shipper without discovering or being charged with notice of their condition and damage results, he can recover. On the same principle, if he does discover the defect and cannot reject the car and wait for another to be furnished without material loss to him, and he can, at slight expense, repair the car and save loss that would likely occur, it would be better for both him and the carrier that he make the repairs and prevent the loss or damage, and in that case the carrier could better pay the cost of slight repairs than to pay the damage that would result if the repairs were not made. If the shipper discovers the defect and can without material loss to himself reject the car and wait for another to be furnished, he should adopt that course, for, except in emergency cases, it is the right as well as the duty of the carrier to repair its own cars and the shipper cannot perform that duty for the carrier unless the peculiar circumstances of the particular case make it necessary for the protection of the shipper."

Promptness in Filing Suits

ALMOST all State Legislatures have enacted laws which required injured persons to file suit for damages within a specified period of time, usually one year. If the injured person fails to abide with this law he forfeits his right to file the suit. It is important to know that such laws relate to the time the injury occurs and not the time the injured person is able to determine the extent of his injuries.

For illustration, in *Luke v. Caddo Transfer & Warehouse Co.*, 124 So. 625, the driver of a warehouse motor truck invited a stranger to ride from one city to another. On the way the driver carelessly drove the truck into a supporting column of a partly constructed building which was near a short turn in the highway. A portion of the building collapsed and fell on the truck, seriously injuring the stranger, who filed suit against the warehouseman for damages. The latter attempted to avoid liability on the contention that he should not be held liable for an injury to a stranger who was invited to ride by the driver without the warehouseman's knowledge or consent.

However, the lower Court held the warehouseman liable on the ground that the driver was the warehouseman's authorized agent. The warehouseman appealed to the higher Court and proved that the injured stranger had not filed suit within one year from the date the accident happened, as required by a State law. The counsel for the injured man argued that the latter delayed filing the suit until he could determine the extent of his injuries. Nevertheless, the higher Court held the warehouseman not liable, and said:

"The answer to that argument is that his petition shows that he was confined to his bed for only 90 days, during which time he could, of course, do no work and was attended by a physician, had endured pain and suffering—for all of which he claims damages. At the end of that time he could have definitely determined at least a portion of his damages, as well as later. . . . This is a personal injury suit brought by the party injured to recover damages for pain and suffering, loss of time, expenses, and loss of earning power. . . . Plaintiff instituted his suit more than one year after the date on which the blow was struck, but less than a year from the date of the loss of the eye. . . . It is true that the damage resulting from the injuries was destined to be suffered in the future; nevertheless, those injuries exhibited a present degree of certainty which justified their being made the basis of a judgment. The nature and extent of the injuries were known immediately."

A State's Power to Tax Commerce

THE law is well established that a State is within its legal rights when it assesses taxes on property located within its boundaries, although it is being used in interstate business. However, a State cannot impose a license fee on the transportation of goods in interstate business, nor can it tax the earnings derived on interstate business from property located within the State.

For instance, in *New Jersey Co. v. State*, 50 S. Ct. 111, it was disclosed that the State of New Jersey enacted a law providing that all persons, corporations and firms doing business within the State shall file statements showing the gross receipts of their business in the State for the calendar year next preceding. A supplementary law required that the companies' gross receipts in New Jersey be included for the calculation of the tax assessed against them. In holding this law invalid, the Court said:

"Clearly the State, when passing the Act making the assessment, acted, not as a proprietor demanding compensation for the use of its property, but as a sovereign imposing a tax for the support of government. . . . It is elementary that a State may tax property used to carry on interstate commerce. But, as the Constitution vests exclusively in the Congress power to regulate interstate and foreign commerce, a State may not

tax, burden, or interfere with such commerce or tax as such gross earnings derived therefrom or impose a license fee or other burden upon the occupation or the privilege of carrying on such commerce, whatever may be the instrumentalities or means employed to that end. . . . This tax cannot be sustained if it is not upon the property but is in fact a tax upon appellant's gross receipts from interstate and foreign commerce or a license fee to be computed thereon."

Scope of the Warehouse Act

IT is important to know that various Courts have held that laws under the uniform warehouse receipt Act apply not only to warehousemen who operate public warehouses but generally to all warehousemen, and regulate the rights and liabilities of them.

In the recent case of *Rich v. State*, 284 Pac. 903, a warehouseman was arrested and convicted by the lower Court on the charge of embezzlement. Testimony was introduced showing that the warehouseman had misappropriated grain stored by the owners in the former's warehouse. The warehouseman contended that, as his elevator was only of 20,000 bushel capacity, it did not come within the warehouse Act which specified warehouses having a greater capacity.

Notwithstanding this argument the higher Court upheld the lower Court's conviction, and said:

"The sections of the warehouse Act constitute a specific statute and it overrules the general statute then in effect. . . . Therefore it can make no difference whether the elevator of Rich's could have qualified as a public warehouse or not."

Storage Is Distinct from Transportation

UNDER a bill of lading providing for shipment of a cargo of grain by steamship and for "winter storage" on arrival at port of destination, the Federal Circuit Court of Appeals for the Second Circuit, New York, has held that the admiralty Courts are without jurisdiction to entertain a libel to recover damages resulting to the cargo during the period of storage since, the maritime service having ended, the shipowners became warehouse men.

The Court in its opinion points out that the grain so shipped was examined upon its arrival at the port of destination and no report of damage to the cargo was made by the insurance underwriters, but that at the end of the winter months during which the ship lay in the outer harbor with the grain aboard, it was removed and the damage complained of was discovered.

The Court, in holding that the libel was properly dismissed for want of admiralty jurisdiction, sustained the ruling of the District Court for the Western District of New York.

An Insurance Problem

LEGAL EDITOR, Distribution and Warehousing: In considering Mr. Parker's statement of the liability assumed by a warehouse firm which does not ship or deliver a lot promptly as ordered, we are led to inquire if this does not imply a very serious and dangerous liability upon the part of every forwarding company. It often happens that it is several days later than expected before a forwarder gets all the lots ready to go into a car, which is much later than he has informed his customer. What sort of fire insurance would it be reasonable for him to take?

—Fidelity Storage & Transfer Co.

Answer: In all cases it is held that a bailee, who fails to follow the reasonable instructions of the bailor, is liable as an insurer. However, this liability can be importantly reduced by having the bailor sign a contract in which the bailee, or warehouseman, is given the privilege of extending the date for shipment of the merchandise.

Many insurance companies have policies which cover this form of protection and I am quite sure that you will have little difficulty in obtaining a policy which will give you the desired protection.

Consult the representatives of two or three well known insurance companies so that you will be certain to obtain the best policy for your purposes.

Sterilization

LEGAL EDITOR, Distribution and Warehousing: We held a warehouse sale today and we sold some second-hand mattresses. There was a State man in the crowd who bid in one of the mattresses. This State man said it is against the law to sell boxes of bed clothes and feather beds.

In talking to this State man we took the stand that we had no right to move other people's goods to a sterilizing plant for the purpose of sterilizing them, neither would we know where to get the money to pay handling and sterilizing charges.

What are our rights?—Tonnies Transfer & Storage Co.

Answer: State laws of this nature are intended to protect the general health of the public and invariably are held to be valid and enforceable. These laws are classified as police power, which is a form of government right to enact laws and regulations intended to benefit the majority of citizens.

While it is customary for warehousemen and auctioneers to sell mattresses, bed clothing and wearing apparel, almost all States have passed laws making it unlawful to do so.

I do not know just how you can avoid liability if a law of this nature is violated, but it appears to me that it would be advisable for you to obtain information from the State official as to how you can dispose of mattresses in a manner which will satisfy him. Otherwise, although you may not actually

violate a law, it may be necessary for you to defend a suit at considerable expense, and, while you may win the case, the expense and time required would not be justifiable.

Carrier Liability

LEGAL EDITOR, Distribution and Warehousing: A certified operator hauled a load of goods belonging to three shippers. One shipper was told that \$2,000 insurance would cover the entire load. The second that his goods would be covered by \$2,000 pro rated with the second. The third was taken without specific agreement as to insurance.

A total loss ensued to truck and cargo en route. The first shipper made claim for \$4,800, the second for \$2,050 and the third for \$450. The carrier's tariff provides for \$2,000 limitation of liability unless excess value is specifically stated and an extra charge is made therefor.

What are the carrier's obligations and legal liabilities?—Swormstedt Transfer Line.

Answer: It seems the liability of a carrier under the circumstances mentioned would be \$4,450. The carrier's tariff limits the liability to \$2,000 for each shipper, unless extra charge is made. Of course a different situation may arise if the goods belonging to three owners were shipped by one shipper and the carrier did not know that the goods belonged to three different shippers.

On the other hand, a controversy might include the statement that \$2,000 insurance would cover the entire load. In other words, if the carrier, through negligence, prevented the shippers from obtaining full insurance coverage, or if the carrier agreed to fully insure the merchandise and failed to do so, the carrier may be liable for damages to the full amount based upon the actual value of the goods.

Evading Responsibility

LEGAL EDITOR, Distribution and Warehousing: We have drawn up the following form with the intention of having it signed by all of our drivers and chauffeurs:

"To all chauffeurs and drivers of Sam Gottry Carting Co.:

"YOU ARE NOT TO ALLOW ANYONE TO RIDE ON YOUR TRUCK AT ANY TIME OTHER THAN YOUR AUTHORIZED HELPERS. This is forbidden because such a person might be injured thereby and bring legal action against us.

"I HAVE READ THE FOREGOING ORDER AND SHALL ABIDE BY IT."

Drivers and chauffeurs' signatures follow.

In the event that a driver or chauffeur should act contrary to above instructions and person permitted to ride on truck is injured or killed, could we be held liable?—Sam Gottry Carting Co.

Answer: There is no question but that having the drivers of your motor trucks sign the contract specified has a tendency to relieve you from liability for injuries

sustained by persons whom the drivers permit to ride on the trucks.

Obviously, however, you would be liable if you are aware of the fact that your drivers are disobeying the provisions of this contract and still you retain them in your employ. Your knowledge that the drivers are disobeying your instructions places you in exactly the same position as if you had issued no instructions.

If the driver disobeys the instructions and you discharge him, such fact would materially assist you in defending a litigation involving another driver who disobeys instructions and injures a third party.

Arkansas Tax Law

LEGAL EDITOR, Distribution and Warehousing: The writer has just read your article headed "Doing Business in Foreign State."

We do not, as a rule, have a salesman soliciting orders in the State of Arkansas. All orders are mailed, or wired, by the customer in Arkansas to our Philadelphia, Pa., office, and we furnish shipping instructions to our warehouse at Little Rock. The invoice is made at this office and mailed to the customer, who in turn remits for the goods direct to our Philadelphia office. We might add that the product in question is manufactured in Philadelphia, Pa., and Greensboro, N. C., and shipped to a public storage warehouse in Little Rock, where it is held subject to our order.

Won't you please be good enough to give us more fully your interpretation of the law in Arkansas and the benefit of your opinion as to whether or not our method of storing at Little Rock could be construed as doing intrastate business?—The Vick Chemical Company.

Answer: There is little doubt but that you are transacting intrastate business. Many higher Courts have held that where goods are stopped in a State for such purposes as transfer, repacking, or reshipping, the transaction is not interstate. This is particularly true unless the shipper can show that the stoppage was unavoidable.

In this instance, you ship goods into the State, from which point they are distributed in accordance with your orders. In view of the Court decisions on this subject, it seems that you are transacting intrastate business.

All of the higher Court cases cited in my article headed "Doing Business in Foreign State" published on page 33 of *Distributing and Warehousing* in the April, 1930, issue are recent cases and explain various phases of the law.

Buffalo Terminal

Plans for a \$50,000,000 produce terminal and farmers' market in Buffalo, N. Y., have been announced by the Buffalo Produce Exchange and the Nickel Plate and Erie Railroads. The buildings contemplated include a cold storage plant and a warehouse for grocers and packers.

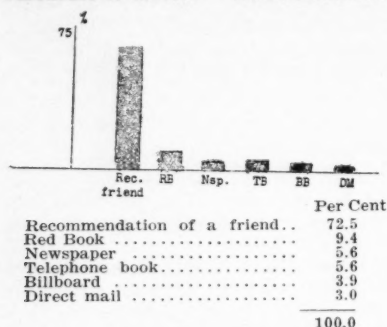
New York Storage Warehouse Survey

(Concluded from page 38)

"The upper income classes were very much higher than the lower.

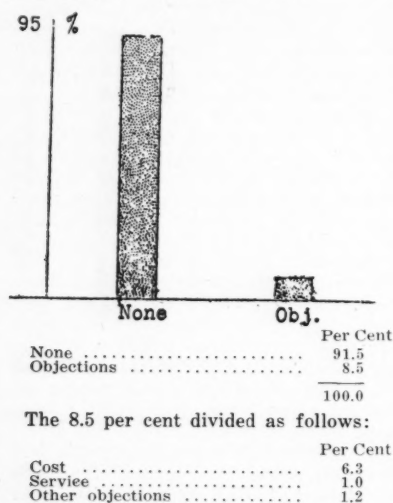
"This question as it was asked probably led to somewhat of an overstatement."

The next question was "What induced you to use the services of a particular warehouse or mover?" Chart and table:



No important differences were noted by the inquirers, among either areas or income classes.

"What are your objections, if any, to having a warehouse move you?" was the final query. Chart and table:



Again no important differences were found among areas or income classes.

New Birmingham Firm

A new firm known as the Avon Transfer & Storage Co. has opened for business in Birmingham, Ala. It is located at 2821 First Avenue North, where the Brown Transfer Co. formerly operated.

'Frisco Terminal

The new State cold storage plant in the State Products Terminal, San Francisco, was opened to the service of California agriculture on May 12. Completed at a cost of \$300,000, the project makes it possible to load perishable pro-

ducts from the terminal into ships without rise in temperature.

The opening of the plant marks the end of a long battle by California agriculture for the creation of shipside refrigeration facilities offered by other ports, and while the present plant is small compared to original plans, the building in which it is located makes possible almost unlimited expansion.

Revised Plans for Atlanta Warehouse

THE United States Cold Storage Corp., Chicago, has revised its plans for the cold storage warehouse and office structure to be erected on the old Union Depot site in Atlanta, Ga.

The latest program calls for a twenty-eight story building to cost approximately \$3,000,000. The architectural style has been altered and provides now for a tower of the offset type. Either stone or terra cotta will be used. The first floor will have facilities for cold storage and be a center of distribution for farm products.

The tower will comprise modern professional and business offices, with community sales and conference rooms for tenants.

The structure will be known as the Dixie Terminal. Railroad tracks under the building will connect with the Nashville, Chattanooga & St. Louis Railroad.

The location is at Pruror Street and Central Avenue. There will be dry as well as cold storage space.

Selling Moth Protection

(Concluded from page 32)

by his cousins, still in the larvae stage, very possibly smuggled away in your choicest blankets, tapestries, upholstered furniture, carpets, rugs or furs.

"The first hot weather stimulates these worms to greater activity, so right now is the time to protect the things that you selected with so much care. The enclosed card is so arranged that you have only to check the proper squares—it will receive our immediate and careful attention."

A return postcard is enclosed in which the prospect's name and address are filled in so that all they have to do is to put suitable check marks on the postcard and drop it into the nearest mail box.

"We simply take advantage of a timely situation to increase our sales on a seasonal article," to quote one of the firm's officers. "We find that there is an acute demand on the part of the public for moth protection. This demand is based on the oldest of human instincts, fear, and also on pride in intimate possessions like clothing, rugs, furniture and things of that sort."

When you ship goods to a fellow warehouseman—use the 1930 Warehouse Directory.

Family Album Tells Story of Career of Gus K. Weatherred

(Concluded from page 33)

is an extensive household goods department where all manner of packing, crating, fumigating and long distance hauling is attended to. The company's slogan is "Choose your warehouse as you would your bank."

Mr. Weatherred is one of a group of Texas merchandise warehousemen who visualized the importance of keeping motor freight line distribution within warehousing's control, and when a few months ago some of the State's leading storage executives organized the United Motor Lines, Inc., he was elected president.

In his personal life Mr. Weatherred does not go in for horseback riding now by way of sport. Golf is more to his liking these days. He has been an active member of the industry's various trade organizations ever since he became identified with the business. He is president of the Dallas Warehouse & Transfermen's Association and a past president of the Texas Transfer & Warehousemen's Association. Of the latter he has been a member since it was organized, in 1918, and still is on the board of directors. He has been a Rotarian for eleven years, has been president of the Waco Rotary Club and is one of the vice-presidents of Dallas Rotary.

Mr. Weatherred has a wife and one daughter and he declares that so far as he is concerned they are the best members of his association. The daughter, now eight years old, has talked warehousing ever since she learned to lisp her first few words.

Reciprocity Sought in Eastern States

A SURVEY of the degree of reciprocity extended to motor trucks by eastern States, together with a model law designed to accord complete reciprocity, will be prepared by the National Automobile Chamber of Commerce at the request of a conference, at Philadelphia on April 25, of State motor vehicle officials and representatives of motor truck owners' associations of Pennsylvania, Maryland, Delaware, New Jersey and New York.

Inasmuch as trucks can use the roads on only one State at a time, and an interstate truck cannot therefore cause as much wear on the highways of any one State as a truck operating wholly within that State, speakers at the conference said, it is unfair to compel an interstate truck to carry two or more registration plates and pay double fees.

The truck association representatives and some of the motor vehicle commissioners, it was announced, intend to urge enactment of full reciprocity privileges for trucks when the Legislatures of their States convene again. This does not include New York, where the law already provides for complete reciprocity.

MOTOR FREIGHT DEVELOPMENTS

FOR the busy executive of a warehousing business who is keen to keep abreast of the times there are several important new things to think about in the field of motor freight. Developments are following one another at a rapid pace, and all have a distinct bearing on the cost and opportunities of handling the hauling requirements of any warehouse business, regardless of its size. There are many advancements being made on the manufacturers' side of the industry, and some of these will be discussed in this department, which is conducted

By Philip L. Sniffin

THIS MONTH

Modernizing the Fleet. The New Buying Attitude

IN probably 80 per cent of the warehouse concerns in which an advisory engineer might begin the problem of bringing a motor truck system up-to-date, he will find that he has a miscellaneous and non-related assortment of equipment with which to work.

One of the chief difficulties of any modernization campaign is the fact that the average warehouse executive originally started out with a nucleus of equipment and has since added new types of trucks, as seemed best at the time, without proper thought to their inter-relation.

One of the first steps in reducing the overhead of a motor truck department is to look over the present equipment to see how well each vehicle is suited to the work it is doing.

Are gas trucks and electrics being used on the right routes?

Are old trucks and new ones being put on work which is suited to them?

Are truck sizes and capacities properly adjusted?

Is there available any particular type of equipment that could be bought or traded for that would represent a

substantial economy, big enough to make the change worth while?

In many cases it is found extremely economical to dispose of one large truck and install two light trucks in its place. It may likewise be discovered that it is best to put the newer vehicles on routes which require the hardest work, thus considerably prolonging the lives and reducing the repair expenses of each truck in the fleet. Another important decision may be that, as certain gas trucks wear out and are ready to be traded in for new equipment, electrics should be bought instead of gas trucks to handle the particular routes on which electrics offer the most advantages. The study may be, in fact, carried to such a fine point that it might be found to be more satisfactory to keep the gas trucks which were at present running on these routes until they were no longer fit for service, than to make the exchange now. The depreciation that would be suffered on the exchange now might be greater than the saving that electrics would afford in the period of time that represents the estimated life of the gas trucks.

THE motor truck purchaser, in deciding upon the particular vehicle he should install, has an entirely different set of conditions to consider now than he had a few years ago. These conditions, he will find if he approaches the truck market from the proper perspective, are very much to his advantage.

Truck manufacturers now know that their sales are made principally on a replacement business. This means greater and greater efforts to give the truck buyers more vehicles for the money. It means not only lower production costs and a narrower margin of profit, but that the manufacturers know that their future lies in making the kind of vehicle that will make truck transportation pay, and pay better with one vehicle than it will with another. They are becoming interested in the use of the truck and in making the truck fit its use.

This, then explains the large increase in the number of models most manufacturers are now introducing. Truck manufacturers who had up until a short time ago confined their production to

one or two standard types, now have four, five, or as many as eight, entirely different models from which to choose, and with as many adaptations for particular needs of business.

New Buying Attitude

THERE is, as indicated, a reason for all this. Competition in a slightly narrowing market has forced it. Truck buyers should take advantage of it and look over the field well before making any selection.

No longer is it a case of simply buying "a 2-ton truck" of a good standard make and putting it to work. The idea of relying on a make of good reputation still holds good but we find now that in the models offered by our favored manufacturer there are several designs, one of which is intended to fit more closely our own particular need. And we find that another manufacturer, also of good reputation and with a most reliable truck, is trying to get our business by creating a model which, in our special

kind of work, will offer just a bit more satisfactory service.

All of this makes the problem of selection somewhat more difficult. Yet there is one great source of satisfaction for the bewildered purchaser. Unquestionably, the leading truck manufacturers are sincerely anxious to place their trucks properly. They are actually interested in helping the users of truck equipment to buy transportation, not trucks, to think of such equipment as a service, not as a product; on a basis of what it will do for them, and not what it is.

The point deserves emphasis and can be made clear when we say that it is a common thing today for a local truck sales agency to make a complete analysis of prospective purchaser's requirements to show why and how the types and capacities of trucks which they recommend, should be used. Among the larger and best reputed manufacturers who offer this analysis service, engineers are employed at the home office who do nothing except this. Although, of course, their purpose is to sell the equipment, the writer's experience has been that



This tractor semi-trailer equipment was recently placed in operation by the Security Storage & Van Co., Duluth, Minn. The tractor is a 3-ton Reo. The semi-trailer is a Trailmobile and the chassis is a 22-foot drop frame type. The body is 22 ft. long, 7 ft. high and 7 ft. 4 in. wide. Tires on both units are of the balloon type, size 8-25x20. There is a door on the right side of the rounded front; here the spare tires and tools are carried. The space overhead is used for pictures and similar articles. Contrary to general opinion, according to R. H. Hall, the Security's president, "we can place this equipment into nearly any location that our large trucks can get into. We find the drivers get accustomed to handling the equipment after a few days' operation."

most of them study each problem fairly-mindedly. The service is quite worth while and if the buyer knows enough about his own conditions to agree or disagree intelligently with the report, he does well to take advantage of it.

Playing Checkers

IT cannot be said in a general way that a certain type of equipment is to be recommended, even though the recommendation should be made with reservations. Nor is it of value to quote instances of how one or the other has worked out profitably or unprofitably in any particular case. Local and individual conditions vary so much that one man's meat is indeed another man's poison.

So, with a knowledge of what the important equipment units are, it remains for the individual operator to neglect none of them in his consideration of improving his methods.

More and more today, the forward-looking delivery executives are analyzing and comparing cost records to determine the suitability of particular vehicles for particular services.

They are taking trucks out of one class of service and placing them in others to which they are better adapted.

Obvious misfits are being disposed of and replaced with more economical units.

They are splitting up work in some cases and combining in others.

Where analysis shows that one or more light trucks will provide service at less cost, these operators are not using heavy-duty units; and, conversely, they are not using light trucks where analysis shows that heavy-duty units will give better results.

It is not always easy to determine just what capacity of truck and type of body are best adapted to a particular service, because often all of the facts regarding that service are not available. Yet these facts can be obtained by keeping proper records for analysis and comparison and experiment, and progressive operators are obtaining them in this manner with the result that they are getting better transportation service and lower costs.

Modern Cost Keeping

SECOND in importance to the proper set-up of equipment is the methods which are used for keeping track of costs. The advisory engineer who is called in to review a truck system will invariably look to the cost records to find the main opportunities for improvement.

The simpler a cost system can be made, the better it will function and the more easily it will be interpreted. The objective should be this—to tell the executive of that business just the things he needs to know so that he may continue to keep at all times that bird's-eye view of the situation which he gets at the outset. He should not be interested as much in what it costs per mile to operate his vehicles as in how much business each vehicle will bring in and what it costs to get it.

A vehicle which costs 2 cents a mile may be more economical to the business than one that costs 16 cents a mile. It depends on the territory covered and upon how much and what kind of business that vehicle brings in.

It is important that this viewpoint be given to the subject of truck costs. It is, after all, the only one broad viewpoint that has a real value. Too few delivery managers seem to realize this. There is too much attempting to see how far a truck goes on a gallon of gas and not enough attempting to see whether or not a certain type of delivery work is profitable to the business.

This writer has seen a sufficient number of examples of benefits obtained for this viewpoint to feel safe in saying that it is, by far, the most valuable viewpoint of any that can be taken. It happens frequently that, in reviewing costs from this angle, it is discovered that a business may be thriving because of some routes and in spite of others. In other words, some routes may not be actually paying their way while others may be so profitable as to be worthy of much more intensive cultivation. Only a cost system which takes into consideration the profit returned on each

truck's work can accomplish this. The way to do it is to compute each truck's costs separately and in relation to the work and profit produced by that truck.

If the foregoing point has been made clear, the reader will easily see why the advisory engineers of today are discouraging the use of "canned" cost systems and urging truck users to adopt systems of their own, with the help of their local accountants. This, let it be said, is the most modern thought on the situation with those who are in a position to observe and study the needs of truck users today.

The aim today is to look upon a vehicle as a means of creating and handling business and of producing a profit. Just as with a concern that takes on as an employee a salesman whose mission it is to create business at a profit, a motor vehicle is coming to be looked on more and more as just such an employee to stand on its own feet and show an adequate return on whatever figure represents its complete cost per week, per month, or whatever the period established may be.

How Records Help

MODERN cost keeping does not, however, stop here. It is recognized that some provision must be made for comparing the performance records of all trucks in some way so as to discover the relative merits of various makes, types and sizes. This, of course, is necessary as a part of the first phase of the analysis suggested at the beginning of this article. We must be sure that we are using the right vehicles on the right work, and this is possible only when we can compare the economy of one type with that of another on a basis of what each actually costs.

It is not as difficult to do this as it may at first seem. In some businesses it can be handled by a simple form of interpretive reading or monthly summary, which can be drawn from the individual expense and performance calculations. In other words, both cost records and performance records, as they are originally entered and itemized, are entered in such a way that we can compute (with a balance to check) what one truck has cost for the work it has done in comparison with another. This permits a flexible way to discover relative advantages in gas trucks, electric, etc. It can go even further than this by comparing economies of different brands of gasoline, oil, tires, drivers, helpers and such items of running expense. It can likewise be made to answer the question as to whether it is better to establish a repair shop of one's own or to have such work handled outside.

The modern cost keeping system, therefore, aims first to determine the amount of profits or loss actually returned by each vehicle. It is supplemented by such information as will enable vehicles to be compared in their costs and performances. And, finally, it is designed to be an easily interpreted bird's-eye view of the situation as it exists and confronts the executive res-

possible for route operation. In accomplishing the latter objective it automatically discloses leaks which can be readily checked, as well as the bigger possibilities of waste which can be studied and, through changes in policies, continuously avoided.

One danger in cost keeping (always with the foregoing in mind) deserves emphasis. All costs must be included for all vehicles, in order that correct comparisons can be drawn.

Often we find that there is no definite policy which says which costs should be included and which should not. In some businesses, for example, items are charged to a general overhead account when they actually belong against the delivery department. Again we find that charges are being made unjustly against vehicles when they belong to the overhead account or to some other phase of the business. There must be some form of standardization of cost figuring which will be fair to all routes and to all types of equipment. If one truck or route requires more "administration," for instance, than another, there must be some method of charging accordingly. If one truck is put on work such as taking the owner's wife's trunk to the steamboat or carrying lumber for the building of an addition to the plant, a fair allowance must be made in the performance column.

The process is very much like a "job ticket" system in which each "job" or route is charged actually for the truck time and performance it requires.

States Are Acting to Regulate Rates on Motor Freight

DIRECT and active supervision of the rates charged for transport of freight by motor truck common carriers is being undertaken by several of the States.

The Wisconsin Railroad Commission last December issued an order establishing a distance scale of class rates based on less-than-carload ratings published in Western Classification No. 60 used by the railroads, ordering the adoption of a uniform bill of lading and fixing charges for C. O. D. collections.

The Texas Railroad Commission last January issued an order fixing existing railroad rates as the basis for truck rates, but providing that individual exceptions might be made on application and a proper showing. These rates became effective on March 1, and since then numerous hearings have been held by the Commission and orders relating to individual carriers have been issued approving or rejecting certain commodity rates and exceptions to classification ratings.

The Michigan Public Utilities Commission in February announced that it would institute a general investigation of the truck and bus business within the State.

In Arkansas, effective May 15, class rates subject to Western Classification were established by the State Railroad Commission for all common carrier truck lines operating in Arkansas.



Lakewood Storage, Inc., in the Lakewood section of Cleveland, has placed in service for both long distance and local transportation of household goods this newly-developed tractor semi-trailer furniture van. The tractor, a 6-cylinder White Model 51 AS, carries a Hoffman Body Co. semi-trailer 30 ft. long and 8 ft. wide and containing 1,600 cu. ft. of space—ample room for the entire furnishings of two 6-room apartments, including pianos. There is a commodious sleeping berth over the driver's seat, which is electrically lighted. A radio has been installed in the front of the cab, both for the driver's convenience and for receiving broadcast instructions from the home office. Four-wheel Westinghouse brakes assure positive braking. There are dual tires on the tractor and also on the rear of the semi-trailer, giving ten balloon tires for careful carrying of expensive and highly polished furniture.

"Motor vehicle traffic," the Commission said in its order, "has reached a stage where the rates and charges for the transportation of freight and property should be stabilized and unified."

The rates fixed by the Arkansas Commission are required to be applied for either single or joint line hauls. The handling of high explosives by motor vehicles on the public highways is prohibited by the order.

The rates are to be governed by the current western classification and do not include the 4 per cent gross income tax, the order stated. When two or more carriers operate between the same points over different highways, the distance scale used shall be that of the shortest highway.

For distances of five miles or less, the commission prescribed the following rates per 100 pounds for the four classifications: First class, 36 cents; second class, 31 cents; third class, 25 cents; fourth class, 20 cents. For 100 miles the respective rates are 79, 67, 55 and 43 cents. For the maximum distance considered by the commission, 500 miles, they are \$1.74 for first class, \$1.48 for second class, \$1.22 for third class and 96 cents for fourth class.

In Iowa the Board of Railroad Commissioners has been called upon for the first time to fix rates applying to freight transported by truck, according to a statement on May 6 by B. M. Richardson, a member of the board.

Under a new law, the commissioner explained, operators of trucks plying between indeterminate points for hire are required to file with the Commission schedules of their own making and to adhere to the rates thus established.

A group of operators in northwestern Iowa agreed to a uniform rate basis subsequent to the filing of individual rates, and this group now comes before the Commission, Mr. Richardson said, seeking to have their uniform schedule applied by mandatory ruling of the commission to all operators in the territory, which covers 18 counties in the vicinity of Sioux City. All the rates apply to livestock, Sioux City being one of the largest livestock trucking centers in the country, according to the commissioner.

National Motor Truck Analysis

WITH some 5584 business firms contributing actual facts and figures on their truck operating, maintenance and depreciation costs, their use of special hauling equipment, their methods of compensating drivers, and a host of other phases in connection with their operation of some 46,017 trucks of varied makes, a national motor truck analysis compiled by the General Motors Truck Co., Pontiac, Mich., is of interest to the warehouse industry.

Now made available, without charge, to all business men interested in truck operation, the book is a part of the company's research and study of commercial transportation declared to be on the broadest scale ever put into effect in the truck industry.

Boiled down for quick reading, and divided into sections according to each specialized industry or vocation, the book enables an individual business firm to make direct and interesting comparisons of its own truck costs and methods with such figures and methods of others in the same special vocation.

Of interest to the laundryman, for example, are the facts that the average mileage per gallon of gas of light-duty laundry trucks is 13.6 miles; that such trucks average 90.4 stops per day; that the average total operating costs, including maintenance and depreciation, of such light-duty laundry delivery trucks of all makes is 7.8 cents per mile; that 56 per cent of all laundry firms pay their drivers on a basis of straight salary plus bonus; that 22 per cent pay their drivers by straight commission.

These and a wide range of other subjects and covered in individual sections devoted to bakers, grocers, contract haulers, dairies, furniture stores—in short, every truck-using vocation, large and small.

The book results from widespread research and development which the General Motors Truck Company is constantly carrying on to make its entire organization a clearing house among and between truck users for the exchange



Charter banquet of the Central Motor Freight Association at the Auditorium Hotel in Chicago on April 26. (See story on opposite page)

of profitable information, ideas and methods aimed toward more efficient use of trucks, according to O. L. Arnold, vice-president of the company.

Transportation Needs Outlined

LIFTING of obsolete restrictions on motor trucks and a closer approach to uniformity in legislation among all States are named by C. A. Tilt, president of the Diamond T Motor Car Co., as two of the outstanding needs in further aiding the progress of transportation today. The situation, he adds, calls for as broad vision among legislators in various States as the makers and users of trucks possess. In a discussion of the subject the Diamond T chief cites specific instances of non-conformity in laws throughout the country and points out how the situation may be alleviated.

"In general, restrictions on motor vehicles cover the three broad fields of size, weight and speed, but beyond that there is no standardization among State laws," according to Mr. Tilt. "A tendency toward greater liberality in all these respects has been noted on the part of some States during the past few years, with the result that some States now permit a speed limit on the open highways of 45 miles an hour and a gross truck weight, including load, of 40,000 pounds.

"Another point on which close students of the situation are agreed is that the matter of legislation should in all cases be taken out of the hands of local authorities. There has been some advocacy of the Federal Government using its power in legislation inasmuch as the motor truck is so often a vehicle of interstate transportation. However, the tendency is more and more in the direction of State control.

"Further improvement in roads will undoubtedly speed the day of standardization in legislation covering the speed, size and weight of trucks. At present some States hold down restrictions to the basis of their weakest highways. The more progressive commonwealths do not,

yet on the other hand they are constantly rebuilding their weak links in the highway and bridge system to take care of faster speeds, larger sizes and greater weights of the commercial vehicles that travel over them. It is largely a matter from now on of education and cooperation, with truck manufacturers, highway engineers, vehicle users and legislators working together."

6-Wheel Trucks

There is an increasing tendency toward raising the speed limits on trucks equipped with pneumatic tires, according to Mr. Tilt, who says:

"This at first might seem like discrimination against solid tires, but it is not, for pneumatics are fast becoming universal on even the heaviest duty trucks.

"Another favorable measure being legalized in one State after another is the allowance of heavier loads on 6-wheel than on 4-wheel trucks. This makes for lower road maintenance costs and higher efficiency for the operator."

The following table has been compiled under Mr. Tilt's direction to show "how the trend toward 6-wheelers in the heavy duty class is being recognized and encouraged" in a legislative way:

| State | Lb. Weight Allowed 6-Wheel Trucks | Lb. Weight Allowed 4-Wheel Trucks |
|--------------|--|--|
| Arizona | 34,000 | 22,000 |
| Arkansas | 28,000 | 22,000 |
| California | 34,000 | 22,000 |
| Delaware | 38,000 | 24,000 |
| Idaho | 40,000 | 24,000 |
| Illinois | 40,000 | 24,000 |
| Kansas | 34,000 | 24,000 |
| Louisiana | 38,400 | 32,000 |
| Maryland | 40,000 | 25,000 |
| Missouri | 38,000 | 24,000 |
| Nevada | 38,000 | 25,000 |
| New Mexico | 26,400 | 22,000 |
| Ohio | 36,000 | 24,000 |
| Oregon | 34,000 | 22,000 |
| Pennsylvania | 36,000 | 26,000 |
| Rhode Island | 40,000 | 28,000 |
| Texas | 30,000 | 22,000 |
| Washington | 34,000 | 24,000 |
| Wisconsin | 36,000 | 24,000 |

"In Virginia, which has a maximum

When you ship goods to a fellow warehouseman—use the 1930 Warehouse Directory.

allowance of 40,000 pounds," Mr. Tilt adds, "the number of wheels or style of tires used makes no difference. At the other extreme are Delaware and Ohio, which maintain specific provisions on both of these points. The weight allowed for pneumatic-tired 4-wheel trucks is 24,000 pounds, while those equipped with solid tires are permitted 22,000 pounds in Delaware and 20,000 pounds in Ohio.

"Connecticut allows a weight of 30,000 pounds for pneumatic-tired trucks and 26,000 pounds for solids. Iowa sets the limits at 28,000 and 24,000 pounds respectively.

"On the other side of the picture we find a problem that needs to be combatted—namely, the exorbitant gas tax, averaging around four cents a gallon and running as high as six cents in several States. This is a double unfairness in this respect, for not only is the tax too high but in a number of cases the money received is diverted from its original object to more general purposes."

Minnesota Tax Ruling

THE Minnesota Supreme Court ruled on May 2 that a corporation paying the Minnesota gross earnings tax is entitled to have its motor vehicles registered without payment of the registration tax. The 1929 statute requiring payment of both taxes was declared to be unconstitutional.

The gross earnings tax is in "lieu" of the general property tax payable by certain corporations, the Court explained. According to the statute imposing the tax, the term "gross earnings" means all earnings on business beginning and ending within the State and a proportion of the interstate earnings, the proportion being determined on a mileage basis.

The case in which the opinion was rendered was that of the Railway Express Agency, Inc., against the Secretary of State and registrar of motor vehicles.

Looking Ahead in Motor Freight

Industry Should Be Stabilized Before Organizing Nationally

CONCLUSION that the time is not yet ripe for the organizing of a national association of motor freight lines of the common carrier type was reached at a conference and charter banquet of the Central Motor Freight Association on April 26 at the Auditorium Hotel in Chicago. The consensus of the members and the visiting delegates from other States was that motor freight interests should eventually organize on a national basis but that it should not be attempted until the industry has become more stabilized and until barriers occasioned by lack of uniformity in State laws had to some extent been overcome.

The Central Motor Freight Association, formed last January, includes in its membership about two dozen leading motor freight carriers of Chicago and vicinity. Its president, Arthur S. Sorensen of the N. C. Sorensen Motor Express Co., Chicago, presided at the conference, and the entire afternoon meeting was devoted to discussion of a plan to organize nationally. Similarly organized divisional groups in Michigan, Ohio and Kentucky had representatives present, and written opinions came from groups in other States.

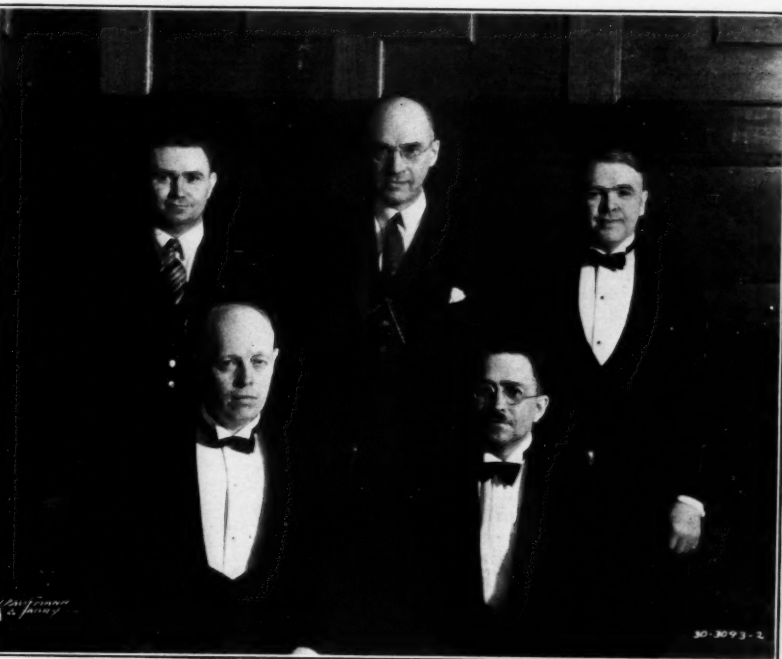
Speakers pointed out that a present organization, the Truck Association Executives of America, composed of executives of lines in the general trucking business, fulfilled the needs to a certain extent, and it was felt by most of those who participated in the discussions that the common carriers should confine their efforts for the present to territorial organizations.

A broad field of endeavor, to provide for the regulation and protection of truck traffic, awaits the action of such divisional organizations, according to Victor J. Brown, executive secretary of the Central Association.

"For the past thirty years," Mr. Brown said, "the railroads' progress has been throttled by utility commission and Interstate Commerce Commission regulation. Now they are starting on the infant motor freight industry."

It was Mr. Brown's idea that motor freight transport should not be regulated either by public utility commissions or state highway departments, but by a separate body of men composed of motor transport engineers and highway engineers.

"Because the plant that produces the commodity—transportation—is owned both by the public and the operators," he continued,



First officers of the Central Motor Freight Association, formally chartered at Chicago on April 26. Left to right (bottom row), Arthur S. Sorensen, president, and Ross L. Greenawalt, vice-president. (Top row) V. J. Brown, executive secretary; I. W. Hart, treasurer, and R. B. McCoid, secretary

"that plant is identical to waterway transportation. Both plants have public-owned travelways or rights-of-way, the movable units in each case being privately-owned. Neither is monopolistic in nature."

Means of combatting public hostility toward the motor truck also was discussed during the conference. A pamphlet was passed out, recommending that in order to fight unfavorable legislation, burdensome taxation and regulation, drivers be schooled in the proper operation of trucks and that noises and rattles be eliminated from machines operating over public highways.

"Despite earnest efforts of some of the more intelligent owners of trucks," the pamphlet states in describing the need of a drivers' school, "the facts are that too many truck drivers are discourteous, take more than a fair share of the road, are careless, proceed at reckless speed when it is dangerous to do so, and in general are regarded by automobile drivers as pests and their machines as nuisances."

The purposes of the Central Motor Freight Association were set forth briefly as follows:

1. To obtain favorable legislation.

2. To engage in educational work for the promotion of motor freight as a shipping medium.

3. To make classifications and study rates.

4. To study labor arrangements and relations.

5. To concentrate action on trade problems peculiar to the motor freight industry.

6. To adopt and be governed by a code of ethics.

7. To study public relations.

8. To discuss amicably settlement of difficulties.

9. To engage in research work in highway transport, accounting and financial problems pertaining to the industry.

10. To promote national and State uniform regulatory measures.

11. To study land, equipment and facility valuation theories as they affect rates, taxes and income.

The officers of the Central Motor Freight Association in addition to the president, Mr. Sorensen, are as follows:

Vice-president, Ross L. Greenawalt, manager of the Union Bus Co., operated in Chicago by the Greyhound Vans; treasurer, I. W. Hart, president of the C. B. & M. Motor Service, Chicago; secretary, R. B. McCoid; executive secretary,

(Concluded on page 62)

Ohio P. U. C. Lets an Express Agency Use Motor Trucks

THE Railway Express Agency, Inc., has been authorized by the Ohio Public Utilities Commission to operate as a motor carrier between certain points where railroad train service has been abandoned and where no other facilities are available for use by the express company.

Last March the Commission refused to permit the express company to operate motor trucks in territory where train service had been abandoned, but where other truck lines were operated under certificates of convenience and necessity issued by the Commission. In that case the Commission held that the services of the truck lines were available to the express company in a manner similar to the services previously afforded by the railroad.

In the present case the Commission states that on Jan. 21, 1930, it permitted the Lakeside & Marblehead Railroad to abandon its passenger trains on which express service had been rendered to Lakeside and Marblehead.

"This hearing on the abandonment of the train service," the Commission states in its order, "was heard prior to the decision of the Commission on the application of the express company for a certificate between Canton and Dellroy and before there had been any adjudication of the rights of the express company to continue service by truck where trains had been taken off by the Commission, or the supreme court of the State.

"Under these conditions and upon the representation by the express company that it owned and operated a truck for pick-up and delivery service in the City of Port Clinton and that it was willing to use this truck for the continuance of the service to Marblehead and Lakeside, until there could be a determination of the rights of the company under the law and the needs of the community, if such service were within the provisions of the motor transportation law, the express company was requested by the Commission to render such service until an application for a certificate of convenience and necessity could be filed and a hearing held upon the same. For this reason the Commission feels that no prejudice should run against the express company for continuing to render the service to the community at the request of the Commission. The Commission interprets section 614-88 as extending to it authority in the instant case to permit such temporary operation.

"The Commission has had in mind at all times the interest of the community as paramount consideration. Express stations have been established at Lakeside and Marblehead and have been operating many years. Lakeside is a summer resort of considerable size, being a community of only a few hundred people in the winter time and of 6000 or 7000 in the summer time. This con-

dition makes an unusual demand for express service, even for a community of this size.

"Since the abandonment of the train service by the Lakeside & Marblehead Railroad Company there is available for the use of the express company no carrier service by rail. The Ohio Public Service Co. operates an interurban line passenger service into this community, but has no service available for the use of the express company.

O. A. C. H. Protested

"The Ohio Public Service Co. did not protest in this case, and the only protestants were the Fletcher Cartage and Storage Co. of Sandusky, Ohio, which operates a truck line between Sandusky and Cleveland and which has applied for an extension throughout this territory for the trucking business, claiming to haul all kinds of articles and therefore if granted a certificate would have a preemption on the property handled by the express company, and the Ohio Association of Commercial Haulers. Mr. E. J. Shover appeared for the Ohio Association of Commercial Haulers, entering a protest, although there is no member of the association certificated to operate through the territory and there would be no competition which might be affected by the granting of the certificate.

"The proposed tariffs, freight rates and the rules, regulations and classifications for the proposed operation are the same as the rates, tariffs, regulations and classifications now applicable to the transportation of express by the company by railroad service and in accordance with the official classifications, rates and regulations on file with the Interstate Commerce Commission and the Public Utilities Commission of Ohio.

"In fact, the service which the express company seeks to render is a part of its highly integrated express service throughout the country and is simply joining this community by truck with the whole territory which the express company serves by rail and otherwise throughout the whole of the United States and many foreign countries.

"It is the opinion of the Commission, therefore, that there are no common carriers by rail or otherwise operating in or throughout this territory, rendering to the public the service which the express company seeks to render; that the express company is the only one which can adequately serve this community as far as express business is concerned; that the express company is adequately equipped to render such service as applied for to the community, as a part of its integrated service throughout the country, and that there is a necessity and convenience shown in the record for such service.

"An order will issue, therefore, granting the certificate of convenience and necessity to the applicant to operate a motor transportation company carrying property between Port Clinton, Lakeside and Marblehead, Ohio."

Rating Plan Sought for Motor Taxation

A UNIFORM system of rating motor vehicles for taxation, each State being permitted to select its own rates, is being investigated by the Bureau of Standards, of the Department of Commerce, in cooperation with the State of Connecticut, it was announced on May 16 by George K. Burgess, the Bureau's director.

Mr. Burgess pointed out that the investigation sought to find a simple method of distributing total tax levy, determined by the State, among the various classes of vehicles and the units within a class as nearly as possible according to the amount and character of each vehicle's use of the highways.

The major factors involved in a vehicle's use of the roads were considered to be (1) the weight of the loaded vehicle; (2) its annual mileage and (3) the type of tires used.

The Bureau's report outlines a method for estimating the equitable relation between gross weight and total annual tax for vehicles traveling an average number of miles per year. By imposing a sufficiently high fuel tax so that it alone is nearly equal to the total tax desired for the lighter cars, a nominal registration fee is made possible for this class, and the best practical distribution of tax according to miles traveled is insured for all vehicles.

An increasing scale of registration fees for the heavier vehicles is generally necessary. A general formula involving gross weight which, by a proper change of constants, may be used to express total annual tax, annual fuel tax, or registration fee for pneumatic or solid tired vehicles is used in computing the tax schedule which may then be printed in a table for convenient administration.

According to Mr. Burgess, the widespread use of such a system would insure consistent taxes for all classes of vehicles, provide for uniform basic methods of rating vehicles and collecting fees throughout the country, and yet permit the several States to select tax schedules suited to their individual requirements.

Traffic Study Urged in House

A Federal highway traffic commission would be created under a resolution (H. J. Res. 335) introduced in Congress by Representative Dowell of Des Moines.

The commission, which would be composed of five persons appointed by the President, would be authorized and directed to investigate and study, throughout the entire country, problems arising in connection with the "Movement, regulation and control of motor vehicles on streets, roads and highways, with particular reference to the use of traffic control and safety devices, the causes and prevention of accidents at railroad crossings and elsewhere, and the licensing of operators of motor vehicles."

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is of *general interest* to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

Recession in Business Has Placed New Responsibilities on the Shoulders of Trade Organization Executives

TRADE association executives this year are facing the most critical appraisal they have met within a decade, a leading observer of trade association activities was quoted by the *New York Times* as saying, in May. To hold the respect and support of their organizations in these trying business times, the observer declared, they must be able to point to an able program for helping the industries they represent. The speaker, himself a trade group executive, consented to discuss the situation in which his fellow-workers were finding themselves but stipulated that his name be withheld.

"The recession in business last fall," he was quoted as saying, "is responsible for the difficulties which now beset the trade executive. Business men who had been contributing to the support of trade organizations found their markets and profits shrinking and turned to the associations for help. They demanded concrete returns for dues paid in. In most cases they got them. When they did not they either ousted the secretary or dropped their memberships.

"Associations failing to meet the emergency were headed by men who hadn't waked up to the changing tempo of business and who were content to drift along in apparently secure positions, believing that responsibility to the group and the industry was met by creating a genial atmosphere at association meetings.

"The conscientious and able executive, however, is confronted with difficulties. He is discovering that business men are under greater tension than formerly. Members find it more difficult to cooperate with competitors in their trade association activities and are less willing to give time to serve on committees. Relations between members are more strained when they do get together, and the executive must be prepared to smooth over difficulties which

arise as a result. Unless he can handle the situation diplomatically the association may be split up by factional disputes."

The speaker advanced the suggestion that all trade association executives adopt a policy of creating a contingency fund to finance enlarged programs of trade work during "off" business years.

"If an organization," he said, "is able to finance intensive market surveys and sponsor other research activities which will provide new markets or work economies in production, it can guide the industry into new channels of profit.

"The need for such activities is always felt most during times of depression, but as a general rule the association is handicapped by a reduced income in such circumstances and forced to restrict rather than expand its activities."

Drinking parties and golf matches have definitely passed out as major events in the trade association calendar since last fall, the executive continued. Such affairs have been in bad odor among most organizations for several years, but the few which retained them have been forced to change, he said.

"Business men," he concluded, want definite value from the meetings they attend and visitors to association meetings now find that they are brought to order at the time scheduled and the time devoted entirely to business until adjournment. The same holds for annual conventions. Companies are no longer willing to finance trips to conventions which are nothing more than outings at their expense.

"The trade association has a valuable place in the present-day scheme of things, and most of them are demonstrating their worth. Those which are not are passing out of the picture, and deservedly so."

Washington Body Attacks Problem of Motor Freight

THE problem of competition from motor freight lines was the principal subject of discussion at the annual meeting of the Washington State Warehousemen's Association in Spokane on May 10. Many angles of this important development came under discussion. Difficulties of the industry are increasing, but the speakers at the meeting revealed that there was a definite trend in the Pacific Northwest to awareness of the

situation. Leaders in the industry were, it was brought out, studying changing competitive conditions and in many instances solutions profitable to warehousemen had been worked out.

The meeting was attended by about sixty executives, including representatives from the Oregon State Warehousemen's Association and the California Van & Storage Association. President Millard Johnson of Spokane presided until the election of officers, when the new president, J. E. Turnquist of Aberdeen, took the chair.

Encroachment by the motor freight

lines not under warehouse control is presenting a serious problem in Washington. They handle household goods, in many cases allowing for comparatively small profits, if any, on this class of goods, relying on other freight for profits.

The situation as to rates therefore is very unsatisfactory. At the meeting an effort was made to adopt a uniform rate schedule for use of the warehousemen in their long distance hauling. The proposal struck a serious difficulty because of conditions on the Spokane-Seattle run. Competitive factors made the pro-

posed \$3.50 per 100 pound rate appear uncertain as to results. Some way must be left to meet the competitive situation. C. C. Cater, Spokane, called especial attention to this feature. It is a problem of meeting this competition or losing packing and storage work as well as the long haul. The proposed rate was considered fair, but in view of the situation the schedule was sent back to a committee to report at regional meetings.

R. A. Chapin, Portland, president of the Oregon association, called attention to the fact that practically no household goods were moving between Spokane and Portland on warehousemen's equipment. One freight line, which handled 1,000,000 pounds of freight between Spokane and Portland in April, was getting practically all of this business he said. Between Seattle and Spokane conditions are not so bad, but a \$3.50 rate might result in practically the same conditions as on the Portland run, he pointed out.

Cooperation with the railways was advanced as having possibilities of producing greater volume for warehousing concerns. This applies more especially to merchandise shipments; by leaving the long haul to the rail carrier, the warehouseman gets the short haul and the storage.

James Crawford, Yakima, who has already worked out such a plan, discussed it in detail.

"Five freight lines operate daily between Seattle and Yakima," said Mr. Crawford. "This is a haul of 135 miles. The Northern Pacific arranged with me a year ago to furnish a car daily into Yakima on a 10,000 pounds a day minimum. The only thing I get out of it is the hauling. The car gets into Yakima by 8 a. m., leaving Seattle the previous night. By 11 a. m. deliveries have been made. I have never had any difficulty in filling the car with the minimum; although at certain periods the movement is not so heavy.

"The railways are willing to give anyone the same rates on a car for 10,000 pounds minimum, and this offers an opportunity to develop local hauling and storage, giving direct competition to the auto freight lines not controlled by warehousemen."

Discussion revealed that railways are alert to the situation and that some readjustment of rail rates in the Northwest may be expected to make a tie-up between those warehousemen whose storage facilities are located on trackage and the rail carriers, attractive to the shipper.

The policies of merchants in buying smaller amounts of goods was a serious one in the industry today, Oscar C. Taylor, Seattle emphasized.

"Quick deliveries demanded by merchants because of this hand-to-mouth policy are increasing costs in the warehousing business," Mr. Taylor said. "The warehouseman of today must pay especial attention to his costs. Modernization of facilities to increase efficiency in handling and a schedule in which minutes figure are necessary. The ware-

house of today exemplifies its success in half million dollar plants. The barn-like structure of yesterday is out of date."

The industry was improving in many respects, Matt Newell, Tacoma, pointed out in his paper on "Commercial Distribution."

"The industry is more prosperous," he declared. "The year 1930 is reasonably good so far, and prospects for the remainder of the year are for increasing business.

"New conditions are developing in the industry. As a result, large amounts of capital are being invested to care for the new-day warehouse industry."

R. A. Chapin, Portland, in a paper on "Estimating," urged that warehousemen use uniform estimate forms. He explained in detail the form used by his firm.

"The time is here when we should no longer go into a house, look over the furniture, jot down a few figures on a card, and call that an estimate," he said.



J. E. Turnquist

Elected president of the Washington State Warehousemen's Association

"The customer will have more respect for us if she finds that warehousemen use a business-like method of estimating. In our system, uniform estimates will not vary widely and the business goes to the firm giving the best service. The customer will have more respect for us when all follow a uniform system."

Daniel Bekins, Seattle, introduced as his personal guests, Milo W. Bekins, Los Angeles and Herbert Holt of San Francisco, president of the California Van & Storage Association.

"I am very much interested in the matter of rates and long distance hauling you have discussed here," Mr. Holt said. "We have worked out many of our problems through meeting once a month at round table meetings. Every town having three or more members is required to have one of these round tables. Every member must attend at least 50 per cent of the scheduled meetings."

Questioned by several delegates as to the working out of regulation by the State Railroad Commission of California, Mr. Holt said that in general satisfactory results were reported, but that at all times there was danger of

fly-by-night competition breaking down this regulation.

James A. Walker, Seattle, read a paper on "Why Ethics in Business?" He handled his subject especially from the standpoint of the effects of ethics so far as the trade association was concerned.

"Successful methods are as much dependent on keeping faith as on keeping books," he declared. "Cooperation must be based on a high regard for our competitor. To criticize our competitor is merely a waste of time and mental energy. If we see the virtues of our competitor and not his iniquities we will build a trail of true constructive harmony.

"In arriving at the uniform standard which we all talk about so much, such standard must be predicated on cost plus profit for our efforts, and such profit must be reasonable to the public as well as to ourselves.

"A reasonable standard should be built from honest calculations that are fair to the depositors in our warehouses, as well as returning a reasonable profit to the warehouseman for the services to such depositor. Variations in standards are the source of all our commercial discomforts and personal prejudices.

"You get out of your association what you contribute to its constructive ideas for improvement and up-building through cooperation. We should not organize for excessive profits, but merely to standardize on a basis of fair consideration for the public through honest calculation as well as maintain a standard which is reasonably commensurate with the tariff applied. It has been demonstrated that true collective action gets results, but first it is the individual that turns the trick."

The proposal that trade practice conferences be instituted under the Federal Trade Commission was approved in a resolution.

The association voted to reduce the membership fee from \$15 to \$10 a year.

J. E. Turnquist, Aberdeen, president of the A. A. Star Transfer Co., Aberdeen, and president of the Star Commercial Moving & Storage Company, Tacoma, was elected president.

James M. Watkins, president of the Pacific Transfer Co., Spokane, was elected vice-president.

R. R. Mitchell, secretary of the System Transfer & Storage Co., Seattle, was reelected secretary.

James J. Crawford, president of the Yakima Transfer & Storage Co., Yakima, was elected treasurer.

Directors chosen are C. C. Cater, president of the Cater Transfer & Storage Co., Spokane; Paul T. Niederkorn, manager of the National Storage & Warehouse Co., Spokane; James J. Walker, president of the Reliable Transfer & Storage Co., Seattle; Oscar C. Taylor, president of the Taylor-Edwards Warehouse & Transfer Co., Inc., Seattle; Matt Newell, president of the Pacific Warehouse & Distributing Co., Tacoma, and Deac. McLean, secretary of McLean the Mover, Inc., Tacoma.

President Turnquist is planning an active year. He expects to hold frequent conferences with Mr. Mitchell and the directors and personally see that the important work of the association is carried forward during the coming twelve months.

"At this time when business in general is dull it is necessary for members of our industry to stick together," Mr. Turnquist told a representative of *Distribution and Warehousing* after his election. "We should cooperate as we have never before. We must not plan any unnecessary expenses in our business until conditions improve."

"Through the State association the Washington warehousemen can cooperate in finding solutions of problems general to all; they can help themselves and the industry to face the present and to be in readiness for a future that holds greater prosperity than ever has been seen in our state."

Mr. Turnquist said also that during the summer, round table meetings would not be held but that in the fall such meetings would take place regularly in Spokane and Seattle.

—Armin Nir.

Frank M. Cole Is Elected President of Missouri Body

FEDERAL Trade Practice Conference, the United States Warehouse Act, terms and conditions, free storage by the Federal Barge Line, and the Allied Van Lines, Inc., were among the subjects discussed at the annual meeting of the Missouri Warehousemen's Association, held at the Robidoux Hotel in St. Joseph on April 24 to 26. Officers and directors were elected as follows:

President, Frank M. Cole, general manager Radial Warehouse Co., Kansas City. Mr. Cole is president of the Kansas City Warehousemen's Association.

Vice-president household goods division, E. M. Hansen, president Brown Transfer & Storage Co., St. Joseph.

Vice-president cold storage division, H. L. Trask, United States Cold Storage Co., Kansas City.

Vice-president merchandise division, W. F. Long, assistant manager, S. N. Long Warehouse, St. Louis.

Secretary (reelected), George C. Dintelman, secretary Ben A. Langan Fireproof Storage Co., St. Louis.

Treasurer, John F. Martin, president Joplin Transfer & Storage Co., Joplin.

Directors, the retiring president, William A. Sammis, secretary Central Storage Co., Kansas City; Harvey G. Rowe, secretary General Warehousing Co., St. Louis; and Harry C. Herschman, president Terminal Warehouse of St. Joseph, Inc.

After discussion by D. S. Adams, Kansas City, and Chester B. Carruth, Chicago, actuary of the American Warehousemen's Association merchandise division, regarding the proposal to place public merchandising warehousing within the purview of the Federal Trade Commission, the Missouri body's mer-

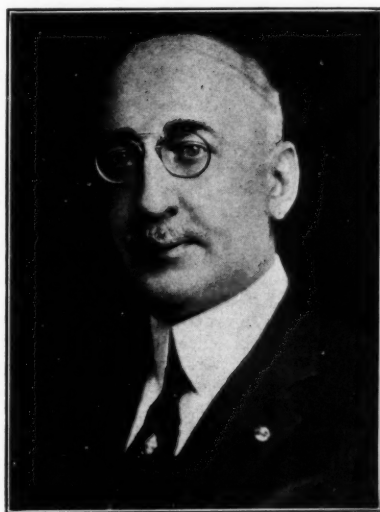


At St. Joseph convention of the Missouri Warehousemen's Association. Left to right, George C. Dintelman, reelected secretary; Harry C. Herschman, general president of the American Warehousemen's Association; Mrs. Herschman; Chester B. Carruth, actuary of merchandise division of A. W. A.; R. A. Ford

chandise division unanimously adopted a resolution to the effect that it is "in favor of Federal Trade Practice Conference for the public merchandise warehousing industry and that it is agreeable to support a movement for such conference, whether that movement is initiated" by the A. W. A. merchandise division, or by another association, or by individuals.

As general president of the A. W. A.,

Frank M. Cole



New president of Missouri Warehousemen's Association

Mr. Herschman outlined briefly the efforts of the American to forestall extension of the United States Warehouse Act. Constant vigilance would be required to keep this regulatory law within its present prescribed bounds, he declared, and he urged cooperation by the Missouri and other associations in support of the work constantly being carried on by the A. W. A.

A revised set of terms and conditions especially adapted to the requirements of

Missouri warehousemen was submitted to the membership for approval. Following discussion it was decided to continue the use of the A. W. A. standard terms and conditions and have a special committee draw up an interpretation of the American's, together with the current prices for specific services to be used by individual members. This interpretation and price scale will be printed on a separate sheet and attached to quotations as submitted.

A new form for the analysis of merchandise accounts was submitted by Mr. Sammis, who, pointing out the simplicity of arriving at accurate costs by installing this form as a part of the bookkeeping system of any warehouse, urged its adoption by the members. Specimens of this special ledger and analysis form were distributed, and several delegates voiced their approval and announced their intention of making it part of their own system.

The form is one which the Central Company in Kansas City has been using for some time, and according to Mr. Sammis the resulting evidence has been the means of securing adequate rates on accounts that were formerly costing the firm money to handle. It was further pointed out that the concrete evidence of cost perpetually shown on such a form would always be the basis for justifying established rates and that the general adoption of such a system would have a tendency to standardize rates throughout the State.

Frank M. Cole reviewed the work of the A. W. A.'s special committee, headed by R. W. Dietrich, New Orleans, in opposition to the Federal Barge Line practice of according free storage on sugar and other commodities. Mr. Cole pointed out that the Government's waterways service would soon be extended from St. Louis to Missouri River points, including Kansas City and St. Joseph, and he urged the members at those points to work now, before the barge terminals were constructed, to avert the competition experienced by warehousemen elsewhere. He urged close cooperation with the A. W. A. and suggested that all

members get in touch with their Representatives and Senators to acquaint them with the situation and request their aid in arriving at an equitable solution.

Operation of the Allied Van Lines, Inc., where discussed at the household goods divisional sessions by M. M. Frohock and by Henry Reimers, Chicago, executive secretary of the National Furniture Warehousemen's Association.

During the ten months ending with March, Mr. Reimers said, A. V. L. did more than \$1,500,000 worth of business, with approximately 10,000 loads moved, and all at higher rates. He announced that A. V. L. planned to extend its operations to the Pacific Coast and thus become a nationwide organization.

The National should and would take more interest in local association affairs in the future, Mr. Reimers said, by trying to solve problems, establish harmony, check up on complaints, etc.

Discussion of "time payment moving" was led by J. O. Cord, St. Louis, who explained that some of the newly-organized companies were loaning money on furniture as an enticement to get jobs. A suggestion was made that the warehousemen organize a time payment company to compete, keeping is disassociated from their own moving business, but the idea did not have the delegates' general approval.

Cut rate organizations were a cause for worry, Mr. Cole brought out, generally operated by owners converting vacant buildings into warehouses in communities where storage space was already abundant.

Canadians Will Discuss Rates at Convention

THE Montreal branch of the Canadian Storage & Transfermen's Association is completing a tariff guide based on Tariff No. 9 of the Illinois Association of Merchandise Warehousemen, and will present it for discussion at the annual meeting of the Canadian organization at the Hotel King Edward, Toronto, on June 5, 6 and 7.

Instead of using decimals of a cent, the Montreal guide reduces all rates for handling to steps, making 1 cent the minimum charge for either handling or storage and rising by steps to 5 cents—1-cent steps between 5 and 10; 2½-cent between 10 and 20; and 5-cent between 20 and 50, with 1-cent steps thereafter.

Commenting on the Montreal guide, E. A. Quigley, Vancouver, secretary of the Canadian Association, says in a bulletin to members:

"The day is not far-distant when handling and storage charges will be similar throughout the whole Dominion. The difference in cost of labor between the East and the West is very little and the cost of construction is about the same, so that which is necessary in one Province to yield a return on investment should be suitable for other Provinces. The question of rates is one that should

be earnestly taken up at the convention and some guidance presented to all our members."

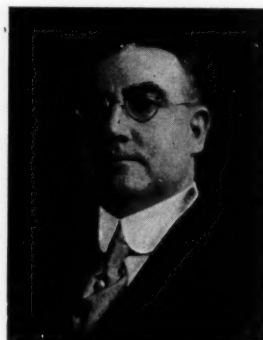
The American Warehousemen's Association and the National Furniture Warehousemen's Association have been invited to have representatives at the Toronto meeting. The American is expected to be represented by Chester B. Carruth, Chicago, actuary of the merchandise division. Mr. Carruth will discuss the division's recently-issued specimen tariff.

Stocker's Transfer & Storage Co., Ltd., Victoria, B. C., has become a member of the Dominion organization.

Poole Is Elected President by the Refrigeration Men

AT the annual convention of the American Institute of Refrigeration, held at Washington in connection with the meeting of the Chamber of Commerce of the United States early in May, Gardner Poole, a past general president of the American Warehousemen's Association, was chosen president. Mr. Poole, who

Gardner Poole



Elected president of American Institute of Refrigeration

is executive vice-president of the General Seafoods Corporation, Boston, succeeds R. H. Switzler, treasurer of the St. Louis Refrigerating & Cold Storage, who has been in office for four terms.

A. H. Baer, general sales manager of the ice machine department of the Frick Co., Wanesboro, Pa., was elected first vice-president. G. A. Pardee, president of the National Association of Refrigerating Engineers, and who lives in Louisville, Ky., was chosen second vice-president.

J. A. Mooney, manager of the Industrial Cold Storage & Warehouse Co., Philadelphia, was elected treasurer.

J. F. Nickerson, of the Nickerson & Collins Co., and editor of *Ice & Refrigeration*, was reelected general secretary. Louis Baron, New York, continues as executive secretary.

Californians Discuss Rates

MOVING rate discrepancies were discussed at a meeting of the northern division of the California Van &

Storage Association at San Jose on April 12. It was pointed out that warehousemen at one end of a moving route were frequently quoting differently from those at the other end. It was voted that hereafter the tariffs shall be those published by the Alameda County and San Francisco associations.

It was urged that each round table in the association at once inaugurate and publish a rate schedule if it has not already done so, and forward it to the association's secretary, Frank A. Payne, Los Angeles.

Herbert B. Holt, San Francisco, the association's president, announced that round tables had been organized in San Francisco, Los Angeles, Oakland, Sacramento and Pasadena. The members in San Jose promised to form one immediately.

—Clarence Ebby.

Mackay Radio Talks on Cold Storage Now Issued in Pamphlet

THE cold storage division of the American Warehousemen's Association, through its executive secretary, W. M. O'Keefe, Chicago, has made available pamphlets containing the full texts of a series of radio talks made by Odin C. Mackay, Boston, the division's president, on the subject of cold storage.

The talks were broadcast through Station WBZ, Springfield, Mass., and Station WBZA, Boston, during January, February and March as part of the agricultural radio program sponsored by the Bureau of Agricultural Economics of the United States Department of Agriculture, and the Departments of Agriculture of the several New England States.

The talks were highly educational and were of interest to all engaged in or interested in the marketing of perishable food commodities, particularly fruits, vegetables, poultry, fish, eggs, butter and cream. They were titled:

"The Place of Cold Storage in Our Economic Program."

"The Place of Cold Storage in the Marketing of Poultry."

"The Place of Cold Storage in the Marketing of Fruits and Vegetables."

"The Place of Cold Storage in the Marketing of Eggs."

"The Place of Cold Storage in the Marketing of Fish."

"The Place of Cold Storage in the Marketing of Butter and Cream."

New York State Meeting June 12

THE annual meeting of the New York State Warehousemen's Association will be held at Buckwood Inn, at Shawnee on the Delaware, Pa., on June 12-15, according to announcement by the secretary, William T. Bostwick, New York City.

Public utility control of warehousing has loomed as a State problem and will be one of the chief themes of discussion.

Operation of the Allied Van Lines, Inc., will be another of the topics.

The business sessions will be started on June 13 and the banquet will be held the following evening. One attraction will be a golf tournament; Shawnee boasts of one of the country's finest golf courses.

Ames Is Elected British Columbia Association Head

AT the thirteenth annual meeting of the General Cartage and Storage Association of British Columbia, on May 7, E. O. F. Ames, secretary of the Trans-Continental Storage & Distributing Co. and connected with several other firms in Vancouver, was elected president. Mr. Ames went to Vancouver six years ago as a delegate from the Furniture Warehousemen & Removers' Association of Great Britain to attend an annual convention of the Canadian Storage & Transfermen's Association and established himself in the industry in the western Province. This past year he served as the British Columbia organization's vice-president.

Quigley Retires

E. A. Quigley, secretary of the British Columbia association from its start, announced his retirement from that position. A secretary-manager is to be appointed to take over the duties. Mr. Quigley is secretary of the Canadian S. & T. A.

Willie Dalton, secretary of the Vancouver Warehouse, Ltd., withdrew as the British Columbia Association's treasurer because of pressure of public activities, and J. R. Walker, of the B. C. Rapid Transit, was elected treasurer in his place.

The retiring president, Robert Wilkinson, secretary of the Reynolds Cartage Co., Ltd., presented a report of the association's progress during the past year.

Willard A. Morse Elected President by Minnesota W. A.

FORTY representatives of 20 member companies attended the twentieth annual meeting of the Minnesota Warehousemen's Association at the Nicollet Hotel in Minneapolis on April 25. Officers were elected as follows:

President, Willard A. Morse, treasurer Security Warehouse Co., Minneapolis.

Vice-president, W. H. Potter, St. Paul, vice-president Booth Cold Storage Co.

Secretary-treasurer, George A. Rhame, Minneapolis.

The following directors were chosen: At large, Joseph R. Cochran, president Cameron Transfer & Storage Co., Minneapolis, who had served two years as the association's president.

Merchandise group, Peter S. Burghart, treasurer Colonial Warehouse Co., Minneapolis.

Household goods group, Oliver T.

Skellet, president Ballard Storage & Transfer Co., St. Paul, and president Skellet Co., Minneapolis.

Cold storage group, Dan Shirley, Central Warehouse Co., St. Paul.

Duluth, J. F. Lenzen, manager McDougall Terminal Warehouse Co., Duluth.

In his report as president Dr. Cochran reviewed the development of the Allied Van Lines, Inc., of the National Furniture Warehousemen's Association and stated without reservation that the

Willard A. Morse



Newly-elected president of the
Minnesota Warehousemen's Association

project was steadily growing in favor through the Northwest.

As chairman of the merchandise committee Mr. Burghart touched on Federal Barge Line competition, railroad freight charges, Federal Trade Conference Practice, and recommended that work be started on a new merchandise tariff, No. 7, after a review of existing rate conditions.

—J. E. Smith.

Financing a Trade Body

METHODS by which trade association activities are financed are analyzed in a survey—"Financing a Trade Association"—just published by the Trade Association Department of the Chamber of Commerce of the United States. The price of this 64-page booklet is 20 cents.

Summarizing the practices of more than 300 associations in various fields of business activities, the survey indicates that there is no common pattern for the financing or structure of trade organizations, but it brings to light certain fundamental principles underlying trade association methods. Many practical questions are dealt with in the report, including dues methods, income, financing of federated organizations, budgets and budget procedure.

Brooklyn Association Will Become Branch of the New York F. W. A.

PLANS for merging the Furniture Warehousemen's Association of Brooklyn and Long Island with the New York Furniture Warehousemen's Association were made at a meeting of the boards of directors of the two organizations on May 19. The consolidation is expected to benefit household goods warehousing locally and at the same time make a score or more Brooklyn companies eligible to apply for membership in the National Furniture Warehousemen's Association.

Following the conference between the two boards the Brooklyn association held its May meeting at the Elks Club in Brooklyn and the merger program was outlined by Harry W. Wastie, president, and Walter W. Weekes, secretary, both of whom had attended the conference. The Brooklynites approved the idea and Mr. Wastie was authorized to appoint a committee to cooperate with a similar committee of the New York F. W. A. in working out the details, which will be submitted to the boards of the two associations for final ratification.

The Program

The plans as outlined by Mr. Wastie and Mr. Weekes contain the following features:

1. The Brooklyn organization may retain its present name if it desires but will constitute a branch of the New York F. W. A.

2. Brooklyn firms, not now members of the National Furniture Warehousemen's Association, will be given credit for their period of membership in the Brooklyn organization when filing applications for membership in the National. There is a National rule that a company must have had one year's membership in a recognized affiliated local before being eligible for the National. The Brooklyn association has not been a recognized affiliated local, but under the merger those Brooklyn firms which are not now members of the New York F. W. A. will automatically become so, and their period of membership in the Brooklyn body will be recognized by the New York F. W. A. as counting in their favor when seeking membership in the National.

3. The territory of the Brooklyn branch of the New York F. W. A. will comprise Kings, Queens, Suffolk and Nassau Counties. This takes in all of Long Island. Thus all Long Island firms which are now members of the New York F. W. A. but which have never joined the Brooklyn association will be required to affiliate with the Brooklyn branch. And all Long Island firms which are not members of either the New York F. W. A. or the National must join the Brooklyn branch in order to join either the New York or the National.

4. The Brooklyn branch will receive complete autonomy in furniture ware-

house activities on Long Island when they do not affect the interests of Manhattan members of the New York F. W. A. The New York F. W. A. board of directors will have the right to pass on all Brooklyn branch resolutions and actions which may affect the Manhattan members. Any Long Island firm not satisfied with action taken by the Brooklyn branch will have the right to appeal, on constitutional grounds, to the New York F. W. A. board of directors.

The plan when finally ratified will involve some slight changes in the by-laws of the two associations, and a budget system will be worked out covering dues of Long Island companies in the New York F. W. A.

—K. B. S.

Kohlenberger Is Re-Elected in the Bronx

AT the recent annual meeting of the Upper New York Warehousemen's Association, the Bronx furniture storage trade organization allied with the New York F. W. A., officers and directors were chosen as follows:

President, Frederick Kohlenberger, president Kay Moving Service, Inc.

Vice-president, Morris Vigdor, Morris Storage Co., Inc.

Secretary, Charles H. Rix, president Charles H. Rix, Inc.

Treasurer, William A. Santini, treasurer Dayton Storage Co., Inc.

Directors, George Kindermann, president Julius Kindermann & Sons, Inc.; J. H. Coughlin, manager Lee Brothers, Inc.; Anthony Cuneo, president Cuneo Storage Co., Inc.; Louis Cella, president G. Santi & Co., Inc., and Godfriend Santini, president Santini Bros., Inc.

Against Tips to Employees, Etc.

THE New York Furniture Warehousemen's Association at its May meeting adopted a resolution declaring it to be unethical for members to give commissions or bribes to servants or employees of customers. The action does not affect building superintendents, decorators and other such sources of "leads" to new business.

The resolution was adopted by a vote of 16 to 1. Many of the members present did not vote. The action was taken on motion by John G. Neeser as chairman of the legislative committee.

North Carolina Truck Operators

JOHN L. WILKINSON, Charlotte, N. C., has taken the initiative in organizing the North Carolina Truck Owners' Association. Warehouse and transfer companies are being asked to join.

The primary objective is to fight taxation on for-hire motor vehicles.

Southern States Form Association for Reciprocity

The Cotton States Reciprocal Motor Vehicle License Association, comprising tax officials in Alabama, Arkansas, Louisiana, Mississippi, Tennessee and Texas, was organized recently at New Orleans. L. H. Brassel, Alabama's State Tax Commission, was elected president.

The association will endeavor to work out a license reciprocity plan agreeable to all the States, according to Sidney Green, Atlanta, executive secretary of the Southern Warehousemen's Association.

The conference rejected a suggestion that exemption from taxation be accorded interstate truck and bus operators and commercial concerns delivering their own goods over regular routes.

Help Wanted

EXPERIENCED household and merchandise manager for one of the largest warehouses in the South.

Address Box H-922, Distribution and Warehousing, 249 West 39th Street, New York City.

Personals

FOUR executives identified with warehousing were on the committee which arranged the citizens' dinner in honor of Police Commissioner Whalen at the Hotel Astor in New York on May 6. They are P. L. Gerhardt, vice-president of the Bush Terminal Co.; Herbert F. Gunnison of the Eagle Warehouse & Storage Co., Brooklyn; Ernest H. Milligan, treasurer of Lee Brothers, Inc., and William Fellows Morgan, Jr., president of the Brooklyn Bridge Freezing & Cold Storage Co.

Wilson H. Collin, secretary of the Empire Warehouses, Inc., has been elected president of the Hyde Park Lion's Club of Chicago.

J. J. Cowan, secretary of the Harris Transfer & Warehouse Co., Birmingham, has been elected to the board of governors of the Birmingham Traffic and Transportation Club. Mr. Cowan is secretary of the Birmingham Warehousemen's Club.

A. W. Hillier, a partner in the Hillier Storage Co., Springfield, Ill., was recently elected president of the Springfield Chamber of Commerce. Mr. Hillier was chosen a member of the board of directors of the local Y. M. C. A. earlier in the year.

Dorchester Warehouse Exhibits on 50th Anniversary



ILLUSTRATED above is the display of the Dorchester Fireproof Storage Warehouse, Boston, at the Better Homes Exposition in the Boston Gardens, in the North Station, from April 8 to 16. Various other industries had exhibits.

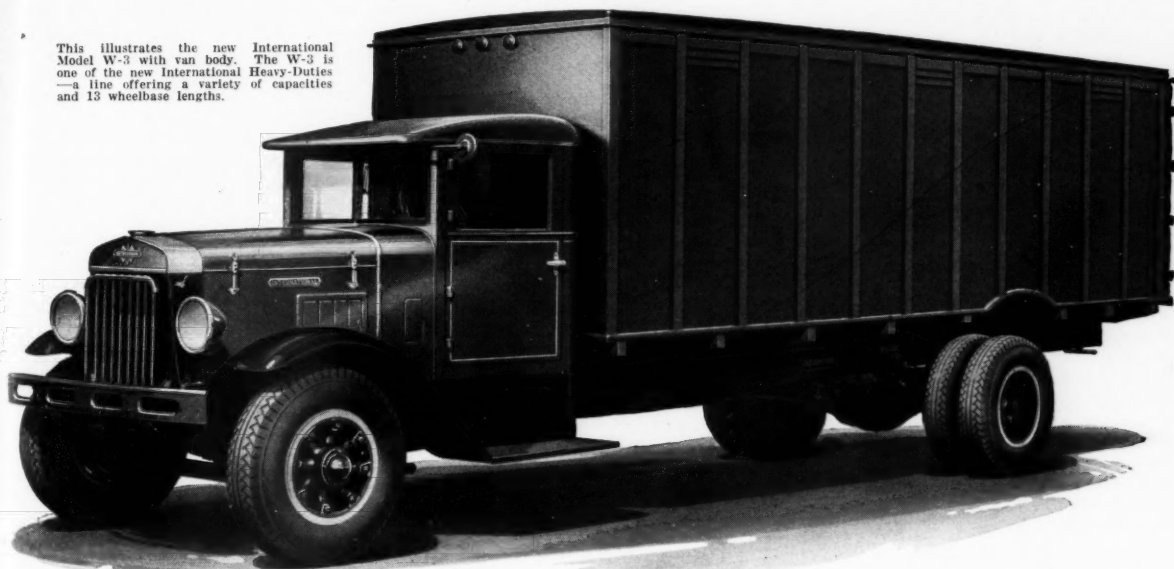
The cake on the table in the background was representative of the fiftieth birthday of the T. G. Buckley Co., operators of the warehouse business.

Moving, packing, storage, shipping, Allied Van Lines operation and Konating were all emphasized in the exhibit as the firm's services. A large reproduction, in colors, of an Allied van attracted considerable attention.

Red arrows pointing to the damaged areas of an upholstered chair and two rugs were used as a sales argument in selling Konate.

The Worst Blizzard in Years Couldn't Block an International

This illustrates the new International Model W-3 with van body. The W-3 is one of the new International Heavy-Duty Trucks—a line offering a variety of capacities and 13 wheelbase lengths.



On the night of December 9, 1929, the central states were in the grip of a howling, record-breaking blizzard. Railroads were paralyzed. Trains limped in hours behind schedule. Chicago and vicinity were in the center of the storm area. Stores and offices closed early to enable workers to reach their homes. Stalled automobiles and trucks were familiar sights.

Out on the road between Chicago and Rock Island, an International Heavy-Duty Truck, without chains, was bucking the drifts and blazing the way for traffic following. It was the only truck with a trailer in the entire fleet of the Interstate Trucking Company, operating between Chicago and the Mississippi River, that was able to get through under the worst road conditions that had been experienced in the past five years.

Pulling a ten-ton loaded trailer in addition to its regular seven-ton loaded semi-trailer, this International cut through the deep drifts that blocked other traffic most of the way. It arrived at Rock Island several hours late but with a record of remarkable performance.

Mr. H. H. Hiland, president of the Interstate Trucking Company, writing to the Harvester Company, said: "You well may be proud of having developed a motor truck that has demonstrated it can successfully overcome conditions produced by the most severe blizzard on record in Northern Illinois."

Performance and dependability like this have won many friends for International Trucks. Put one through its paces on your own job and you'll quickly see of what stuff Internationals are made.

The International Line includes the 3/4-ton Special Delivery; the 1-ton Six-Speed Special; 1 1/4, 1 1/2, 2, and 3-ton Speed Trucks; and Heavy-Duty Trucks to 5-ton. Sold and serviced by 180 Company-owned branches in the United States and Canada.

INTERNATIONAL HARVESTER COMPANY

of America
(Incorporated)

606 So. Michigan Ave.

Chicago, Illinois

INTERNATIONAL TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

P. R. R. Unit, Jersey City, Nearly Ready

THE first unit of the warehousing, distribution and manufacturing center of the Pennsylvania Dock & Warehouse Co., at Exchange Place, Jersey City, is virtually completed. The foundations were laid on March 25, and one floor a week has been added to the eight-story building and the roof is now on. The first concrete was poured on the second unit on April 29 and one floor is being added every two weeks. Initial work has been done on the third unit.

The site was leased from the Pennsylvania Railroad for a term of 63 years. The steel and concrete structure will command accessibility to New Jersey, Manhattan, Staten Island and Brooklyn and will afford rail and steamship connection to the market places of the world.

This rail-to-keel plant will include cold and dry storage space, manufacturing, lofts, and distribution facilities.

Pennsylvania Railroad sidings have been paid to serve the first unit, which has 212 feet of frontage and 160 feet in the rear.

In order to permit of piers approximately 900 feet long it was necessary to set the buildings 172 feet back from the bulkhead line.

I. C. C. Position on the McDuffie Bill

(Concluded from page 30)

of the terminal facilities in question is segregated, as provided in the bill, a still greater segregation would be necessary in fixing the separate charges for particular and distinct services. Similar segregation would be necessary in the case of the cost of operation and maintenance.

"Our conclusion is that this is a matter of such complexity that it is very difficult, if not impossible, to cover it adequately by specific legislation. In view of this fact, and also of the reasonable doubts which may be entertained as to the wisdom of requiring in all instances separate charges of the kind proposed, it seems to us to be a matter which can best be left to the administrative discretion of the Commission, as is now the case. We are, therefore, unable to approve the bill proposed."

Bekins Buys Turner Warehouse, Denver

THE Bekins Moving & Storage Co., operated by Daniel Bekins in Portland, Tacoma, Seattle, Spokane and Vancouver, has acquired the buildings, equipment and business of the Turner-Denver Moving & Storage Co., Denver, Colo. The purchase price was understood to be about \$250,000.

Stanley S. Andrews, who was manager of the Bekins depository in Port-

land, has taken charge of the firm's interests in Denver.

The Turner company, of which George E. Turner was president, was established in 1885 and operated household goods storage buildings at 1401 and 1411 Arapahoe Street. It held memberships in the National Furniture Warehousemen's Association and Colorado Transfer & Warehousemen's Association.

Ivory Plant Burns

Fire on April 28 destroyed a four-story warehouse operated by the John F. Ivory Co., Inc., at 1340 Lafayette Boulevard, Detroit. Damage to building and contents was estimated at \$200,000. The contents were largely household goods.

Amarillo Has Turtle Soup

THE Armstrong Transfer & Storage Co. claims the distinction of being the only firm in the industry to have hauled a truckload of live turtles.

Amarillo, Texas, where the Armstrong does business, has a fishing club. Turtles were getting too numerous in the vicinity, according to W. W. Ellison, the warehouse company's president, so the game warden, S. D. Turner, set two traps and in fourteen days caught 1,783, and one of the Armstrong trucks went to the club and brought the turtles to Amarillo, where they were distributed among persons who like turtle soup.

Looking Forward in Motor Freight

(Concluded from page 53)

Victor J. Brown, 221 E. 20th Street, Chicago. The executive board comprises the president, vice-president and treasurer, and H. H. Hiland, general manager of the Interstate Trucking Co., Chicago; P. H. Kipp, president of the Kipps Express & Van Co., Chicago, and Rudolph J. Olson, of Fred Olson & Son, Chicago.

Other member firms are the Chicago Motor Express Terminal, Wirtz Bros. Motor Express, Grand Rapids Motor Express, Dixie Highway Motor Service, Inc., Liberty Motor Freight Co., Decatur Cartage Co., Mid-West Motor Freight Forwarders, Inc., Krema Teaming Co., Reliable Transit Co., Cushman Motor Delivery Co., A. & A. Joliet Motor Transportation Co., E & H Motor Service, Webber Cartage Co. and Keeshin Motor Express Co., all of Chicago; Rockford Motor Service, Rockford, Ill.; W. J. Thibodeau Motor Express, Marengo, Ill.; F. & S. Transit Co., South Bend, Ind., and Fred H. Kehe, Arlington Heights, Ill.

Lake Carrier and Universal in Agreement

DISTRIBUTION AND WAREHOUSING'S Washington Bureau, 1163 National Press Building.

ANNOUNCEMENT is made by the U. S. Shipping Board of approval of an agreement between the Detroit & Cleveland Navigation Co. and the Universal Carloading & Distributing Co. on the use of warehouse space.

By the terms of the agreement the carrier grants to the forwarding company the right and privilege of using so much space in the warehouses of the carrier at Buffalo and Detroit as may be necessary to accommodate merchandise tendered to the carrier by the forwarding company, and also for freight transported by the carrier for delivery to the forwarding company.

The use of space in the carrier's warehouses is to be subject to the supervision and regulation of the carrier's officers and agents and is to be such as not in any way to interfere with the use of such property by the carrier for the receipt and delivery of merchandise offered for transportation by parties other than the forwarding company.

The agreement may be terminated by either party on 15 days' written notice.

—Horace H. Herr.

Scobey Contract

A contract has been awarded for the construction of a cold storage plant for the Scobey Fireproof Storage Co., San Antonio. It will be one of the most modern buildings of its kind in the country. With four stories and a basement, it will have 995,000 cu. ft. of storage space.

Meanwhile the firm's new merchandise structure, also four stories and basement, with 736,440 cu. ft. and fireproof, has been virtually completed—the first unit in an extensive building program mapped out some months ago. Every floor is equipped with automatic sprinklers.

Pamphlets Received

"Contented Truck Drivers Are a Big Asset." Covers a training plan used by operators of a modest sized fleet. Issued by the motor truck committee of the National Automobile Chamber of Commerce, 366 Madison Avenue, New York City. Free on request.

"Crates for Commercial Refrigerators." This is Bulletin 21, seven pages, illustrated, of the Freight Container Bureau of the American Railway Association, 30 Vesey Street, and was prepared in cooperation with commercial refrigerator manufacturers.

"Preparing Shipments to Canada. Documentation and Customs Entry." This is Trade Promotion Series 91 of the Bureau of Foreign and Domestic Commerce of the Department of Commerce. Price 10 cents. Address Government Printer, Washington, D. C.

IT'S WISE TO CHOOSE A SIX



... and the Chevrolet six-cylinder truck costs no more for gas, oil or upkeep

In the low-price commercial car field, the swing to six-cylinder trucks is growing steadily more impressive every day.

For leading firms in every line of business are rapidly learning the facts about Chevrolet performance—that it offers all the advantages of six-cylinder power, six-cylinder speed, six-cylinder flexibility *without costing a dollar more for operation or upkeep!*

No other truck of similar capacity gives any better gas and oil mileage. For Chevrolet offers such modern features of efficiency as overhead valves, crankcase ventilation, a hot-spot manifold, and the latest type carburetion.

No other costs less for upkeep. For Chevrolet's big rugged spiral-bevel-gear rear axle—its sturdy full-length frame—and the six-cylinder engine

itself, with its marked absence of destructive vibration—all make for greater dependability, and lower maintenance costs.

No other costs less for service! For Chevrolet flat-rate service charges on many operations are the lowest in the entire motor car industry.

If you are interested in getting top efficiency from your trucking equipment—and cutting mileage costs as well—see your nearest Chevrolet dealer. Investigate Chevrolet's 50-horsepower six-cylinder engine—its four long semi-elliptic springs—its time-proved 4-speed transmission—its generous carrying capacity. Consider how much better this modern truck can do your work—how much *faster, easier, more economically!* And be sure to learn about the small down payment and easy G. M. A. C. terms available to every buyer of a Chevrolet truck.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN

Division of General Motors Corporation

Sedan \$595 Light Delivery \$365 1½ Ton \$520 1½ Ton Chassis \$625 Roadster Delivery \$440
Delivery Chassis Chassis. with Cab Pick-up box extra.

All prices f. o. b. factory, Flint, Michigan

CHEVROLET SIX-CYLINDER TRUCKS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

OBITUARY

Mrs. J. H. Cornwall

Mrs. James H. Cornwall, wife of the president of the Jennings-Cornwall Warehouse Co., Salt Lake City, died recently at Palo Alto, Cal., where the children were in school. She was a victim of pneumonia.

Mrs. Cornwall's death followed by only a few weeks that of James H. Cornwall, Jr., 15 years old, who had been injured in a motor car crash on the highway between Palo Alto and Burlingame.

Magnus Elliot

Magnus Elliot, vice-president, treasurer, manager and operating executive of the Cedar Rapids Transfer & Storage Co., Inc., Cedar Rapids, Iowa, died on April 23 after having been injured in a motor car accident. He was a member of the American, National and Iowa Warehousemen's Associations.

A. C. Fruehauf

August C. Fruehauf, chairman of the board of the Fruehauf Trailer Co., Detroit, died on May 11 after having for several months been confined to his home by illness. Born in Fraser, Mich., in 1868, Mr. Fruehauf had been prominently identified with transportation for nearly four decades. Opening a small shop in Detroit in 1895, he manufactured heavy-duty horse-drawn wagons until the advent of the motor truck. In 1914 he designed and built a two-wheel platform vehicle for use in connection with a light motor truck and christened it "semi-trailer." This is credited with having been the beginning of the semi-trailer industry in the United States. Mr. Fruehauf became chairman of the company which bears his name, on July 25, 1929, and his two sons, Harvey C. and Harry R., who had long been active in the business, were elected president and vice-president respectively.

Ernest H. Gough

Ernest H. Gough, secretary and general manager of the Fidelity Storage, Moving & Packing Co., St. Louis, died in April. He was a member of the National and Missouri and St. Louis Warehousemen's associations.

Mrs. E. E. MacNiven

Mrs. Esther E. MacNiven, mother of H. E. MacNiven, field secretary of the National Furniture Warehousemen's Association, died in Chicago on April 18. She was 80 years old. Before her marriage Mrs. MacNiven was an Emerson and was related to Ralph Waldo Emerson.

R. J. Robinson

Robert James Robinson, Landsdowne, Pa., proprietor of the household goods storage firm which bears his name, died at his home on March 3 after several years of illness of paralysis. He was

a member of the National F. W. A. and of the Pennsylvania F. W. A. His son, R. J. Robinson, Jr., inherits the business, of which he has been the manager.

A. E. Wright

A. E. Wright, secretary and treasurer of the Grodnick Transfer & Storage Co., Atchison, Kan., was fatally injured in a motor car accident near White Church, Kan., on May 1 and died a few hours later in a hospital in Kansas City, Kan. Another man in the car with him was killed. Mr. Wright was a World War veteran. He was a member of the National Furniture Warehousemen's Association and of the Kansas Warehouse & Transfermen's Associations.

For Sale

ONE RA-7 tractor type elev. platform truck complete with 8 cells of 19 plate oxide lead battery, and vertical lift platform 15 in. long and 22 in. wide, 8 1/2 in. high in lowered position. Lifting height 3 1/2 in. Length overall 55 in., equipped with hooks for trailing purposes. Wheelbase 23 1/2 in. Equipped with counterweights under platform. Rubber trailer and drive wheel tires. Price \$1,200. Address Day & Meyer, Murray & Young, Inc., "Portovault Storage," 1166-1170 2nd Avenue, New York City.

Alabama Desires Tax Reciprocity

THE Alabama State Tax Commission is hopeful that some modification may be brought about in the regulations in force in Mississippi covering the operation of motor trucks registered in Alabama, according to Harry S. Long, Alabama's tax commissioner. At present such trucks must take out Mississippi licenses or else pay a privilege tax. Under the reciprocal provisions of the Alabama law the same rule applies to Mississippi trucks operating in Alabama.

The Alabama Commission has persuaded the Tennessee authorities to permit occasional trips in that State by Alabama trucks when such trucks are engaged in the business of their owners. The term "occasional trips" is used to differentiate privately owned and operated trucks from those engaged in a common carrier transportation business.

'Frisco Blaze

Fire of undetermined origin did heavy damage to the China Basin Warehouse and pier at the foot of Fourth Street, San Francisco, on May 6. The plant is State-owned and is controlled by the Board of Harbor Commissioners. The blaze destroyed several thousand feet of lumber.

De Luxe Container Is Launched by A. W. Neal

ARTHUR W. NEAL, president of the Neal Fireproof Storage Co., Cleveland, has launched a new service which will be of general interest to warehouse executives. It involves the use of what will be known as "Neal's De Luxe Containers," designed by Mr. Neal for a firm's customer who desires to send china, lamp shades, books, bedding and clothing in advance of moving day.

Light in weight, sturdy in construction, painted in the Neal company's standard colors, and lettered so as to advertise the firm, the containers are easy to handle and are exceedingly compact. Having the same capacity as a barrel, they occupy much less space because of their shape, and actually increase the van capacity in moving. See accompanying illustration.

Mr. Neal states that his workmen carry these spare boxes on each van for emergencies, in addition to use for advance delivery.

This new service is being featured by the Neal company in Cleveland this spring and has attracted considerable business. In the firm's newspaper advertising it is featured under the head-



ing "Make Moving Day Easy," and the "copy" goes on to tell and back up this service idea.

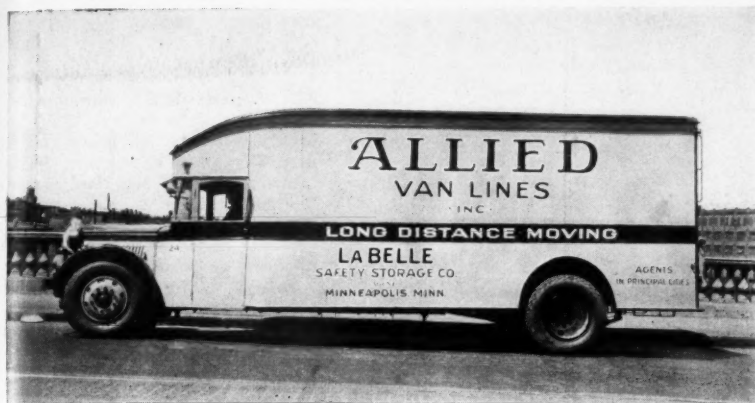
In actual practice Mr. Neal reports that the saving in damage alone more than pays for the cost of the containers. A careful check-up is maintained by operating a blackboard in the shipping clerks' office, with the containers charged against each job and checked off as they are returned.

Details as to sizes and construction may be obtained by writing to Mr. Neal at the company's address, 7208 Euclid Avenue, Cleveland.

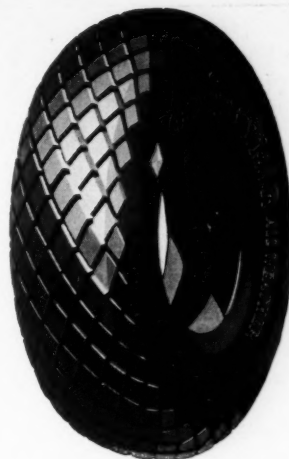
Harris Moves Liquor

Prohibition may be a joke to some people but to George C. Harris, president of the Harris Transfer & Warehouse Co., Birmingham, Ala., it is something else.

Recently Federal officials seized a solid carload of liquor en route from Florida. The Harris firm got the job of hauling it from the freight car to its warehouse. The haul consisted of 16,000 pints.



La Belle Safety Storage Company, Minneapolis, Minn., tried Goodyear Truck Balloons on one of its vans. Performance was so outstanding that Goodyear Balloons were specified on this new truck. On your new trucks specify Goodyears.



How about these new Truck Balloon Tires for Long Distance MOVING?

The instant you say "balloon tire", everyone knows what balloon tires did for passenger cars.

But how about balloon tires on trucks?

They'll give more cushion of course. They'll grip the road. They'll make it possible for trucks to cover the roads safely at higher speeds.

But will they stand the gaff?

The fact is, Goodyear Truck Balloon Tires are outrunning the best performance of high pressure tires. They stay cool at high speeds. They absorb jolts instead of fighting them. They make roadside tire changes almost unknown.

On trucks that do long distance hauling, Goodyear Truck Balloons are almost indispensable. They stand up under the all day grind—they bring tire costs back to levels lower than they were before trucks stepped up to passenger car speed and travelling range. "Our experience has proved that the balloon tire is far superior to the high pressure from an economical standpoint and much easier in riding qualities", writes the president of La Belle Safety Storage Company.

Get all the remarkable facts about these new Goodyear Balloon Truck Tires now, from your Goodyear Truck Tire Service Station Dealer. He is equipped to recommend the right tires for any hauling job.

MORE TONS ARE HAULED ON GOODYEAR TIRES

THAN ON ANY OTHER KIND

GOODYEAR

ON YOUR NEW TRUCKS SPECIFY GOODYEARS

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Position Wanted

FURNITURE and merchandise warehouse and transferman, for the past fifteen years a successful operating executive in the Middle West, wants a position in the South or West. Age 38. Married. Can be a valued asset to any organization. Best of references.

Address Box G-819, Distribution and Warehousing, 249 West 39th Street, New York City.

Incorporations**California**

Santa Barbara—Griggs Van & Storage Co. Capitalization, \$75,000.

Illinois

Chicago—Chicago Local Transportation Co., 72 West Adams Street. Capital, 30 shares of no par value stock. Incorporators, Frederick D. Hoffman, Otto Gressens and Louis J. Dixon.

Kentucky

Pikeville—Cannonball Transit Co. Capital, \$150,000. Incorporators, F. A. Connolly, D. C. Moore and R. T. Huffman.

New York

Brooklyn—20th Street Storage Warehouse. Capital, \$1,000.

Ohio

Cleveland—Interurban Moving Co. Capital, 100 shares of no par value stock. Incorporators, A. L. Kearns, M. L. Jacobs and Louis Newman.

Oklahoma

Tulsa—Tulsa Transfer & Storage. Capital, \$50,000. Incorporators, Clara M. Ingram, W. F. Cowper and H. W. Miller.

Tennessee

Clarksville—Central Ice Co. Cold storage warehouse and ice plant. Capital, \$25,000. Incorporators, Horace O'Kain and William W. Johnson.

Texas

Dallas—Republic Ice Co., Inc. Cold storage warehouse and ice plant. Capital, \$150,000. Incorporators, John M. Welch and Andrew J. Shaw.

Huntsville—Arrow Motor Freight Lines, Inc. Motor freight and transfer. Capital, \$42,000. Incorporators, R. W. Miller, G. Smither and A. T. Randolph.

Uvalde—Southwest Motor Transport, Inc. Motor freight and hauling. Nominal capital, \$5,000. Incorporators, B. M. Price and D. W. Price.

Virginia

Norfolk—Allied Warehouses, Inc. Maximum capital, \$5,000. M. T. Cutler is president.

Washington

Olympia—Olympia Warehouse & Distributing Co. Capital, \$3,000. Incorporators, Peter G. Schmidt and Max H. Clark.

(Other corporations on page 68)

**Fur Storage:
Gas vs. Cold**

THERE is apparently quite a general misunderstanding of the relative merits of gas storage and cold storage for furs, according to the May issue of *Lares & Penates*, a publication of the Atlas Storage Warehouse Co., Philadelphia.

"Cold storage," to quote, "is excellent—as far as it goes. While furs are in cold storage they will not be damaged by moths. Just as meat is safe in a refrigerator—while it is in the refrigerator—so are furs safe in a cold storage vault. The low temperature at which these vaults are maintained makes all moth life dormant. But cold storage

Position Wanted

A MARRIED man, 36 years of age, now employed, wishes to make a connection with some progressive concern in an executive capacity. Has had both practical and executive experience in furniture and commercial warehousing. Can furnish best of references.

Address Box T-780, Distribution and Warehousing, 249 West 39th Street, New York City.

does not necessarily destroy moth life! It simply makes it inactive during the period of storage. If there were moth larvae or worms in your furs when you put them in storage, they may be still there, alive and ready for work, after the fur is removed from cold storage.

"Gas storage, on the contrary, completely destroys all forms of moth life present in the fur at the time it is stored and prevents re-infestation during the storage period. There is no possibility of latent moths coming to life after gas storage, as there is after cold storage.

"Gas storage is approved by the Bureau of Entomology of the U. S. Department of Agriculture. It is guaranteed to destroy moth life in furs which are properly subjected to its penetrating powers.

"Cold storage is sometimes recommended on the basis that it renews the life and 'feel' of the fur. This is another popular fallacy. Pelts that have been tanned for use in furs are almost completely free from oils and tissues, which are the source of the life of the fur. It is unreasonable, therefore, to expect that cold storage can have any effect on the quality of the fur."

Situation Wanted

WAREHOUSE manager, warehouse sales manager or expert solicitor having 23 years' experience in general storage and pool car distribution and 4 years' experience in cold storage, now connected with one of the largest warehouses in the country, desires to change.

I am familiar with rates, standard forms, modern methods, warehouse receipt laws, systems, advances on cold storage products—in fact, most all phases of both general and cold storage business. Am 42 years of age, married, have family. Good character, excellent references, large acquaintance and following among national stores.

Address Box K-423, Distribution and Warehousing, 249 West 39th Street, New York City.

Driver Must Pay

DAMAGES to the amount of \$10,000 must be paid to the Chicago, Cleveland, Cincinnati & St. Louis Railroad by the owner of a truck which caused the wrecking of a train by being driven onto the railroad tracks, as the result of the denial of a motion for a new trial in the District Court for the Southern District of Illinois by Judge Louis FitzHenry.

Frank Cordera, of Benld, Ill., drove his truck in front of a freight train, and in the resulting collision the locomotive and five freight cars were derailed and overturned. A suit for \$30,000 damages was brought by the railroad company and the trial resulted in a judgment for \$10,000.

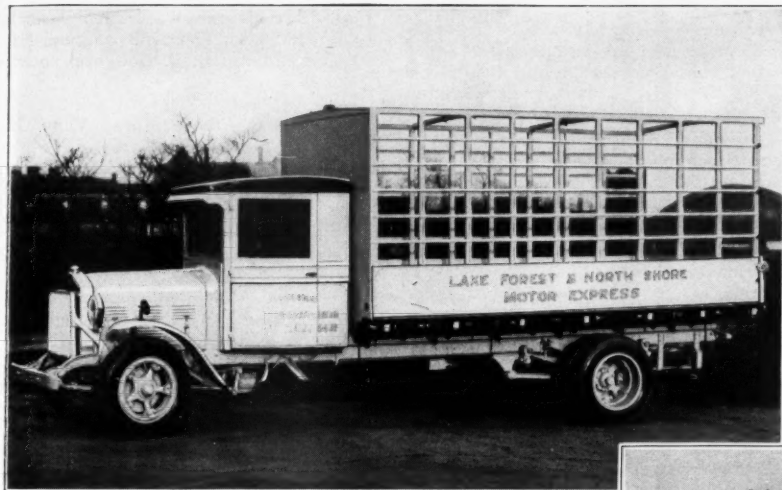
**Bell Company
Has Job Open**

THE Bell Storage Company, Inc., Norfolk, Va., is interested in getting in touch with a man who has had some experience in the household goods and commercial warehouse business. T. Ed. New, the firm's president, writes:

"We would want a man who would be willing to move to Norfolk on a comparatively moderate salary and one who would be willing to take charge of the warehouse and who has had experience in handling men and equipment and yet not opposed to getting into his overalls and doing some work himself."

Joseph H. Ring, formerly manager of the Bekins Household Shipping Co., Chicago, is now commercial agent in the Chicago office of the Judson Freight Forwarding Co.

MORE POWER from a gallon of gasoline

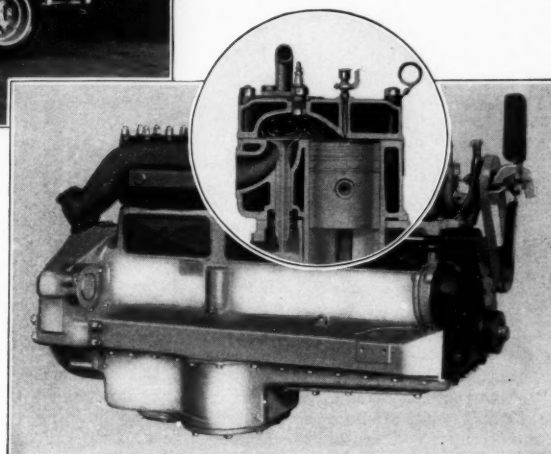


A speedy six for city or long distance hauls...
STERLING DW-13, 3 to 4 ton, worm drive.

Hauling costs are being cut with Sterling Trucks . . . because of the *many economy features* that *only Sterling* can build in. *One* of them is a more reliable engine. Equipped with the genuine *Red Head Ricardo* Combustion Chamber it develops far greater power output from a gallon of gasoline . . . and gives more years of low upkeep service.

The converting of raw fuel into power takes place in the engine's combustion chamber. The *Red Head Ricardo* Combustion Chamber . . . by its proportions, shape and properly placed spark plug . . . controls the *turbulence*, or agitation of the explosive mixture, which assures proper firing. The result is rapid and complete combustion . . . after-burning is eliminated . . . and every part of the gas is *completely* burned and converted into useful power.

"Anti-knock" fuel is not necessary. The *Red Head Ricardo* Head Combustion Chamber not only permits higher compression but elimi-



nates engine-wrecking "ping" or detonation. No after-burning means that exhaust valves stand up longer. Complete combustion assures far less formation of carbon and an almost total elimination of crankcase dilution.

For the complete story write to Driver Dan, in care of Sterling Motor Truck Co., Milwaukee, Wisconsin.

STERLING MOTOR TRUCK COMPANY, Milwaukee, Wis.

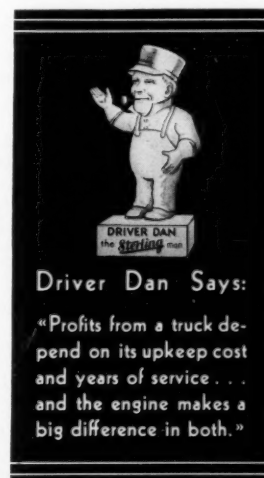
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|------------------|----------------|
| Portland | Youngstown |
| Boston | Detroit |
| Springfield | Chicago |
| Worcester | St. Louis |
| Providence | Bakersfield |
| Bronx | Fresno |
| Long Island City | Los Angeles |
| Camden | Oakland |
| Newark | Sacramento |
| Trenton | San Bernardino |
| Baltimore | San Diego |
| Erie | San Francisco |
| Philadelphia | San Jose |
| Pittsburgh | Stockton |
| Reading | Klamath Falls |
| Akron | Portland |
| | Seattle |
| Spokane | |

154

Factory Branches in Principal Cities

Sterling

TRUCKS



Construction Developments Purchases, Etc.

Alabama

BIRMINGHAM—Summers Transfer & Storage Co. has removed to 1523 Fifth Avenue from 6412 First Avenue.

California

Bakersfield—Galbraith Fireproof Storage has plans for a \$50,000 4-story fireproof bonded warehouse, 60 by 90 feet.

Coachella—Imperial Ice & Development Co. will build a \$100,000 cold storage warehouse and ice plant near the Southern Pacific Railway tracks.

Los Angeles—MacLure Transfer Co. has removed to 2006 Hauser Boulevard from 5321 Washington Boulevard.

Los Angeles—Quick Service Transfer Co. is erecting a warehouse at 761-765 Stanford Street. Cost of land and building will be about \$25,000.

Los Angeles—Union Ice Co. has secured permission to erect a \$55,000 harbor warehouse for cold storage.

Van Nuys—Van Nuys Transfer & Storage Co. has been purchased by S. Slocum, who will operate it under the present name.

Ventura—Ventura Transfer Co. has received permission to build a 1-story tile and concrete \$3,000 warehouse and garage, 32 by 102 feet, on North Olive Street.

Canada

Winnipeg, Man.—National Cartage & Storage, Ltd., is building a 5-story merchandise warehouse which, containing 50,000 square feet of floor space, will give the company a total of 143,000 square feet.

Connecticut

Meriden—H. T. Smith Express Co., Inc., has been organized to take over and expand the warehouse business conducted by the H. T. Smith Express Co. Mrs. G. P. Smith is president in succession to Horace T. Smith, now vice-president. Karl D. Smith continues as treasurer.

Illinois

Chicago—Chicago & Northwestern Railroad Co. is completing plans for a \$2,500,000 multi-story terminal, express and freight building.

Galesburg—Chicago, Burlington & Quincy Railroad Co. has plans for a \$3,000,000 storage and freight terminal to comprise several units.

Ottawa—Chicago, Rock Island & Pacific Railroad Co. is said to be planning a \$25,000 1-story warehouse and freight terminal.

Streator—Atchison, Topeka & Santa Fe Railway Co. has awarded a general contract for a \$100,000 1-story warehouse and freight station.

Indiana

Anderson—W. A. Clark Transfer Co. has purchased factory buildings occupied by the Continental File Co. and will remodel and improve them as warehouses, terminals and office structures.

Bloomington—Welsh Transfer Co., 407 South Washington Street, has been sold to R. H. Martin.

Brookville—Strohm Warehouse & Cartage Co., Indianapolis, is planning to establish in Brookville.

Indianapolis—N. Clyde May Transfer & Storage Co. has acquired a 4-story factory building at Merrill and New Jersey Streets and will conduct a storage business.

Indianapolis—Strohm Warehouse & Cartage Co. has opened a new warehouse and cold storage plant at 230-240 West McCarty Street.

Michigan City—Haviland Transfer & Storage Co. has become the local agent for Konate.

Richmond—Forest Monger Transfer & Storage has opened a new household goods depository at 517 North D Street.

Kansas

Coffeyville—Southwest Utility Ice Co. is erecting a \$35,000 1-story and basement cold storage warehouse and ice plant, 55 by 79 feet, on West 14th Street.

Wichita—Wichita Yellow Cab Transfer & Storage Co. has removed to 901-911 East Second Street from 115 North Mead Avenue.

Maryland

Baltimore—Baltimore & Ohio Railroad Co. has approved plans for a \$400,000 2-story produce storage, express and transfer warehouse, 140 by 900 feet.

Massachusetts

Boston—Fort Hill Storage & Trucking Co., Inc., has taken over under lease a 6-story building, containing 24,000 square feet of floor space, at 309-313 Congress Street, and will use it as a branch warehouse and terminal.

Michigan

Detroit—Express Transportation Co. operating a motor truck service, with insulated refrigerator trailers, between Detroit and Chicago, has purchased a building containing 6,000 square feet of floor space, on 24th Street near Lafayette Boulevard, and will occupy it as a terminal, warehouse and general office structure.

Detroit—John F. Ivory Storage Co., Inc., is planning to rebuild that portion of a 4-story warehouse recently wrecked by fire.

Mississippi

Ripley—Ripley Utilities Co. has plans for a \$30,000 1-story cold storage warehouse, 70 by 90 feet.

Missouri

Butler—Clinton Ice Co. is planning erection of a \$40,000 cold storage warehouse and ice plant.

Kansas City—Crooks Terminal Warehouses have taken bids for a proposed \$200,000 5-story and basement warehouse, 120 by 160 feet, at Union Avenue and Santa Fe Street, and will soon begin superstructure.

St. Joseph—Missouri Pacific Railroad

(Concluded on page 70)

New Incorporations as Announced Within the Storage Industry

California

LOS ANGELES—West Pico Transfer (organized), West Pico section. Moving and hauling. D. R. Houghton, owner.

Connecticut

Bridgeport—Palace Horse Vans, Inc. Warehouse and van service. Capital, \$10,000. Incorporators, W. M. Stevens, E. S. Williams and L. J. Freda.

Illinois

Cairo—Halliday Warehouse Co., 216 Seventh Street. Storage warehouse and van service. Nominal capital, \$5,000. Incorporators, N. G. Halliday, H. E. Halliday and Festus Berter.

Chicago—Chicago Motor Transport Co., 2314 Indiana Avenue. Capital, \$10,000. Incorporators, William Lister, John J. Flynn and J. B. Duggan.

Chicago—International Cartage Co., 1388 North Branch Street. Capital, \$5,000. Incorporators, Michael P. Reitan, Paul O. Reitan and Alethe Reitan.

Chicago—North Austin Storage & Van Co., 5849 West Division Street. Storage warehouse and van service. Capital, \$10,000. Incorporators, George J. Adinamis, E. A. Pantelis and Stephen Harris.

Rock Island—A. B. C. Motor Transit Co., 101 17th Street. Storage warehouse and trucking. Capital, \$50,000 and 500 shares of no par value stock. Incorporators, B. L. Burke, president of the Rock Island Transfer & Storage Co., and Edgar O. Anderson and Edward F. Stahl.

Kentucky

Cynthiana—Eastern Motor Express Co. Capital, \$3,000. Incorporators, W. D. Judy, Sr., Waller Judy and Frank M. Judy.

Louisiana

Baton Rouge—Louisville Public Warehouse Co., Louisville, has filed a charter in Louisiana with investment set at \$380.15.

Jonesville—Ouachita Ice & Utilities Co., Inc. Cold storage warehouse and ice plant. Capital, \$30,000. Incorporators include C. J. Pope of Bunkie, La.

Massachusetts

Boston—Atlas Storage Co. Warehouse and trucking service. Capital, 900 shares of no par value stock. O. Kerro Luscomb is president and Everett B. Merrithew of Saugus is treasurer.

Boston—Commercial Motor Lines, 117 Commerce St. Motor transfer and express. Louis F. Salemme and Frank E. Salemme head the company.

Boston—Fort Hill Storage & Trucking Co., Inc. Nominal capital, \$5,000. Arthur E. Planten, 84 Purchase Street, is president and treasurer.

New Bedford—New Bedford Public Warehouse, 54 South First Street. Storage warehouse. Frank J. Bliss of New Bedford and Lester F. Simmons of Dartmouth head the interests.

(Concluded on page 70)

CHARLES H. KAHRs
Formerly Vice President
of Moores & Dunford, Inc.

EPPLÉ & KAHRs

ARCHITECTS & ENGINEERS

44 COMMERCE ST. NEWARK, N. J.

EDWARD C. EPPLÉ

Industrial Building
Specialist for 25 Years

TWO GREAT TERMINALS

At the Port of New York

Manufacturing, warehousing and distribution.

Fireproof buildings with modern equipment and facilities.

These terminals command the metropolitan market of nine and one-half million population, and their arteries of transportation reach the trading centers of the world by rail and water.

Write for booklet.

PENNSYLVANIA DOCK & WAREHOUSE CO.

In course of construction at Jersey City, N. J.

BAYWAY TERMINAL, Bayway, N. J.

Executive Offices: 25 Church Street, New York



Have you seen the New Fruehauf Bus-Type Furniture Van Semi-Trailer ?

Write the factory direct for photos and illustrated literature.

FRUEHAUF TRAILER COMPANY
10936 Harper Ave.
DETROIT, MICHIGAN

FOR WAREHOUSES

LEWIS & LEONARD

ARCHITECTS & ENGINEERS

51 EAST 42nd ST., NEW YORK CITY

2.50 DAILY

FOR ROOM EQUIPPED WITH
BATH, CIRCULATING ICE WATER
and **RADIO!**

SINGLE, \$2.50, \$3.00, \$3.50
DOUBLE, \$4.00, \$4.50. TWIN BEDS, \$5.00

Near Business, Shopping
and Theatre Center

The New
HOTEL PLYMOUTH

49th STREET EAST OF BROADWAY • NEW YORK



KINGSLEY SERVICE INC. WAREHOUSE ARCHITECTS

103 E. 125TH ST
NEW YORK N. Y.

**Construction
Developments,
Purchases, Etc.**

(Concluded from page 68)

Co. has plans for a \$40,000 1-story warehouse, 100 by 105 feet.

New Jersey

Dover—Brown's Storage Co., Inc., is planning to build a \$30,000 warehouse on its present site at 76 North Sussex Street.

New Brunswick—Arctic Ice Co. has plans for a \$45,000 1-story and basement cold storage warehouse and ice plant.

New York

Brooklyn—Fulton Storage Warehouse Co., Inc., has plans for a \$35,000 1-story warehouse on Sumpter Street.

New York City—Baker & Williams Bonded & Free Warehouses, Inc., has taken over under lease a building at 155-159 Franklin Street.

New York City—Interborough Transfer Co. has leased ground and first floor space at 161-165 Charlton Street as an operating and distributing branch.

New York City—Thomas E. McCormack Trucking Corp. has taken over under lease at warehouse at 27th Street and 11th Avenue.

Richmond Hill—Kew Gardens Storage Warehouse has taken over the fireproof building at Jamaica Avenue and 120th Street and has converted it into a warehouse for storage of household goods.

Schenectady—Joseph A. Field, formerly a jeweler, has announced plan for building a \$150,000 5-story merchandise warehouse on Erie Boulevard near Jefferson Street, on the site of the W. Cady Smith warehouse. The structure will contain 100,000 square feet of floor space.

White Plains—New York, Westchester & Boston Railway Co., operated by the New York, New Haven & Hartford Railroad, is projecting plans for a \$700,000 industrial warehouse and freight center on Westchester Avenue.

North Carolina

Smithfield—People's Warehouse Co., recently organized by N. L. Perkins and L. G. Patterson, plans to erect a \$70,000 warehouse largely for tobacco storage service.

Ohio

Cincinnati—Chesapeake & Ohio Railroad Co. has plans for a \$600,000 warehouse and freight terminal development at Third and John Streets.

Cleveland—Nickel Plate Development Co. has awarded a general contract for a \$100,000 1-story and 2-story warehouse and terminal at Orange Avenue and East 40th Street.

Toledo—Baltimore & Ohio Railroad Co. has plans for a \$200,000 1-story warehouse and freight building at Middle Grounds.

Pennsylvania

Philadelphia—Federal Storage Ware-

houses are having plans drawn for a \$130,000 6-story warehouse, 50 by 125 feet, at 25th and Federal Streets.

Philadelphia—Germantown Fireproof Storage Co. has taken title to a 7-story warehouse, assessed at \$198,000, at 237-253 Church Lane.

Philadelphia—Reading Co. has awarded a contract for a \$130,000 warehouse and freight building on Newmarket Street.

Pittsburgh—City Ice & Fuel Co. (Cleveland, Ohio), has approved plans for a \$2,000,000 multi-story cold storage warehouse at Penn and Pike Streets, Pittsburgh.

Tennessee

Memphis—O. K. Storage & Transfer Co. has plans for a garage building on Union Avenue.

Texas

San Angelo—Angelo Ice Co. operating cold storage warehouses and ice plants, has arranged for increase in capital to \$200,000 from \$80,000, for expansion.

Woodsboro—Central Power & Light Co. has approved plans for a \$45,000 cold storage warehouse and ice plant.

Utah

Salt Lake City—M. A. Keyser Fireproof Storage Co. has been granted a reduction in its insurance rate to 60 cents per hundred dollars, from 75 cents.

Virginia

Norfolk—Norfolk & Western Railway will build a \$100,000 warehouse, 120 by 650 feet, to contain 280,000 square feet of floor space, at Lambert Point.

Washington

Bellingham—Independent Truck Co., Inc., has tentative plans for erecting a new warehouse. Meanwhile a Chicago, Milwaukee, St. Paul and Pacific Railroad spur track is being built to connect with the company's Franklin Street property.

Seattle—National Household Forwarding Co. has filed an amendment changing its name to National Freight Forwarding Co. and reducing its capital stock to \$1,000.

Seattle—Seattle Port Commission is having plans prepared for a 2-story storage and freight terminal, 80 by 400 feet, which, to be located on Railroad Avenue, will be used by the Canadian Pacific Railway. The cost will be about \$100,000.

New Incorporations

Milwaukee—Juneau Express & Storage and transfer. Capital not stated. Incorporators, Leo D. Swidler and Charles Swidler.

Milwaukee—Krahn Cartage Co. Capital, \$5,000. Incorporators, G. Krahn, P. Radagan and M. Radagan.

Milwaukee—Shippers' Service Corporation. Capital, \$10,000. Incorporators, M. McWilliams and Daniel L. McWilliams.

Sheboygan—Commercial Transit Co. Capital, \$20,000. Incorporators, E. G. Landwehr, D. Orlebeke and F. Federer.

**New Incorporations
as Announced Within
the Storage Industry**

(Concluded from page 68)

Michigan

Detroit—Triangle Motor Freight Co., Inc., 1159 Holden Street. Motor transfer and express. Capital, \$50,000. Incorporators, Roy E. Steele and E. I. Pettibone.

New York

Brooklyn—Reeds Moving Vans & Furniture Dealers, Inc. Storage and moving van service. Capital, \$10,000. Incorporator, Benjamin Roth.

New York City—Doughboys Van Co. Capital, \$20,000. Principal incorporator, S. Solomon.

New York City—Fairhill Forwarding Co. Capital, \$5,000. Incorporator, Alfred Lyons.

New York City—Lee Moving & Storage Co. Storage warehouse and moving. Capital, \$10,000. Incorporator, S. R. Greenberg.

Poughkeepsie—Fallkill Storage & Warehouse Co. Capital, 100 shares of common stock. Representative, W. C. Stone, 349 East 149th Street, Bronx, New York City.

North Carolina

Greensboro—Stafford Motor Express, Inc., 235 North Green Street. Motor freight and express service. Capital, \$25,000. Incorporators, G. R. Stafford and W. G. Beeson.

Ohio

Cleveland—American Ice & Fuel Co. Cold storage warehouse, ice plants, etc. Capital, 100 shares of no par value stock. Incorporators, Andrew J. Lucie and M. Jaffa.

Columbus—Suburban Motor Freight, Inc. Capital, \$50,000 and 1000 shares of no par value stock. Incorporators, Lloyd Riley, James R. Riley and J. F. Atwood.

Hiram—Portage Transfer Co. Capital, 250 shares of no par value stock. Incorporators, W. E. Ellenburger, Jr., William H. Chapman and E. J. Kovanda.

Toledo—Cities Cartage Co., Inc. To operate terminals, inter-city freight transport and general hauling. Capitalization, \$20,000 and 1000 shares of no par value common stock.

Wisconsin

Madison—Roy's Transfer & Storage Co., 34 North Charter Street. Storage warehouse and hauling. Capital not stated. Incorporators, George Westbury and Frances C. Westbury.

Milwaukee—American Van Line, Inc. Storage warehouse and moving. Nominal capital, \$5,000. Incorporators, Edmund F. Radke, Clarence E. Haglund and James C. Norris.

**Other Incorporations Will Be
Found on Page 66**

This Month's Features in News and Articles

Canada's Problems

HARBOR TERMINAL competition confronts the warehouse industry in the Dominion. National advertising is another current topic across the border. Story of the twelfth annual convention of the Canadian association begins on page 21.

Decalcomania

AMONG FURNITURE STORAGE warehousemen there is an increasing interest in this substitute for hand-lettering on vans. K. H. Lansing tells how the Miller North Broad Storage Co., Philadelphia, is standardizing in design on its fleet units. See page 26.

Developing New Business

THE FIFTY-SIXTH of H. A. Haring's profit-earning suggestions for warehousemen suggests cooperation with freight traffic solicitors. See page 37.

Federal Trade Practice

SHALL merchandise and household goods warehousemen voluntarily place themselves within the purview of the Federal Trade Commission? Many industries, including cold storage warehousing, have done so. What are the advantages? What may be expected ultimately? What is it all about? Horace H. Herr tells in Washington correspondence beginning on page 14.

Government Competition

THE INLAND WATERWAYS Corporation challenged warehousing to go to the Interstate Commerce Commission for relief from the Federal Barge Line free storage policy. The American Warehousemen's Association has accepted that challenge—turn to page 9. The full text of the A. W. A. complaint filed with the I. C. C. is published on page 11.

"How's Business?"

A FORECAST of conditions as charted by thirty-four economic experts—editors of magazines published by the United Business Publishers, Inc.—appears on page 24. Elmer Erickson's contribution to President Hoover's National Business Survey Conference symposium will be found on page 25.

Legal Knots

LEO T. PARKER, an attorney, unties them on request, for warehouseman and traffic manager. Borrow on his knowledge and experience. This authority also reviews the latest Court decisions of importance to the industry. Four pages this month—29, 30, 31 and 32.

Liability

THE WAREHOUSEMAN'S responsibility for damages by third persons and employees is discussed by Leo T. Parker in the thirtieth of his series of legal articles. Turn to page 42.

Occupancy and Tonnage

THE GOVERNMENT'S most recently - available figures—final for March and provisional for April—appear, with interpretative comment, on page 40.

Personality

THIS MONTH'S biographical sketch is about Oscar C. Taylor, president of the Taylor-Edwards Warehouse & Transfer Co., Inc., Seattle. Turn to page 33 for Elizabeth Forman's human interest story of one man's rise in the industry.

Pool and Container Cars

H. A. HARING'S Distribution Article No. 64 touches on that subject this month—telling of the development of a cheaper transportation of less-than-carload freight. This is information of value to traffic managers and warehousemen both. Turn to page 17.

State Motor Reciprocity

THE TRUCK ASSOCIATION Executives of America will urge Legislatures to act. Read Kenneth Keith's convention story on page 35.

Traffic Uniformity

BACKED BY the Department of Commerce, executives representing truck, automobile, electric railway and insurance interests have inaugurated a broad traffic and safety program of national scope. See Horace H. Herr's Washington correspondence on page 34.

Truck Operations

DEVELOPMENT of business through proper selection of routes is discussed by Philip L. Sniffin, motor truck advisory engineer, in his department this month—beginning on page 45. And on ensuing pages are news stories of particular interest to owners of motor vehicles.

With the Associations

IN ADDITION TO the report of the Canadian convention, commencing on page 21, there are six pages—51 to 56 inclusive—telling of trade organization activities in various parts of the United States. Knowledge of news and views of the industry's leaders is important to the storage executive who would build his business on a solid foundation.

Directory of Warehouses . . . Pages 88 to 165
Directory of Motor Freight Lines Pages 166 to 168
Where to Buy Department . . . Pages 71 to 85

12 REASONS

why Pagels has adopted

Trailmobile

After an exhaustive investigation, The Fred Pagels Storage Co., Cincinnati, Ohio, has started to trailerize its equipment with the purchase of two Trailmobile Semi-Trailer De Luxe Vans of 1200 cubic feet capacity, embodying the latest idea in design, materials and finish. Here are Pagels' own reasons for taking this step:

1. **LOWER INVESTMENT**—Our investment in a Trailmobile outfit is over 30 per cent less than it was in a truck van of equal capacity.
2. **GREATER EARNINGS**—Our Trailmobile unit carries a load twice as large as the rated capacity of the tractor pulling it, not to mention the lower cost of operation and maintenance due to smaller power unit.
3. **INCREASED PRODUCTIVE TIME**—The power unit can be kept busy all the time, as it need not necessarily stand idle while trailer is being loaded or unloaded, or when compelled to lay over in a town.
4. **EXTRA SAFETY**—Drop frame construction not only increases carrying capacity without increasing over-all height, but the lower center of gravity insures greater safety on the road, while the lower platform is an advantage in loading.
5. **LONGER LIFE**—The whole outfit will not have to be "junked" when the power unit wears out.
6. **REDUCED FIRE HAZARD**—In case of fire, power unit can be uncoupled and pulled away from the load and damage to load prevented.
7. **GARAGING ADVANTAGE**—Tractor can be stored in ordinary size garage for protection from weather and trailer parked outside at night; or pulled anywhere for repairs.
8. **LIGHTER WEIGHT**—Smaller power unit and use of lighter materials in trailer chassis and body reduce weight of outfit.
9. **DECREASED UPKEEP**—A coat of good paint periodically and lubrication of springs and working parts occasionally, are about all that our Trailmobile unit will need—also necessary repairs can be easily made, as parts are not covered by body.
10. **EASY MANEUVERING**—Our Trailmobile unit can be parked in small quarters, jack-knifed at curb, hairpin turns made, and van uncoupled from power unit when desired.
11. **NO IDLE SEASON**—Our Trailmobile enables us to utilize the power unit the year round—for moving business in season and for commercial hauling in winter. The cost of a commercial trailer is quickly earned back.
12. **FINE APPEARANCE**—Our Trailmobile is an attractive moving billboard. Its sheer beauty impresses people and makes them think of us when they move.

Let us study your operations and show you how Trailmobile can save money for you.

THE TRAILMOBILE COMPANY,

Oakley, Cincinnati, Ohio



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